

'Severe' Damage as Allies Again Hit Baghdad



An Iraqi walking through debris left after a U.S. raid hit Tikrit, President Saddam's hometown, near Baghdad.

'Absolutely the Right Thing to Do,' President Says

By Brian Knowlton
International Herald Tribune

WASHINGTON — Just hours before U.S. and British forces launched a second wave of air attacks on Iraq, President Bill Clinton said Thursday that the decision to attack was "absolutely the right thing to do."

Mr. Clinton received a powerful endorsement from Prime Minister Tony Blair of Britain. He said that for his president to have delayed attacking because the House had been scheduled to debate his impeachment Thursday would have been a "dereliction of his duty."

The first round of cruise missile and bomber attacks, launched shortly after midnight Baghdad time, inflicted "very severe" damage, Defense Secretary William Cohen said Thursday. He said all targets were military or intelligence-related.

Iraq denounced the attack as a "crime against international law" and said dozens of civilians had been killed or wounded.

In the second wave, which began around 10 P.M. Baghdad time Thursday, U.S. and British forces targeted the

Iraqi air defense system, airfields, and military aircraft, some of them in reinforced concrete hangars.

Cruise missiles were launched again from navy ships, and air force B-52 bombers flew from Diego Garcia Island in the Indian Ocean to launch others. F-18 fighters, based on the carrier Enterprise, released laser-guided bombs, a military official said.

Twelve British Tornadoes returned unharmed from a bombing sortie to their base in Kuwait. Royal Air Force spokesman told Reuters.

The military undertaking, ordered out of frustration with Iraq's obstruction of UN arms inspectors, is the largest by U.S. forces since Mr. Clinton took office. It came a month after he had ordered, then suspended, an earlier attack following an 11-hour vow of cooperation from Baghdad.

Mr. Clinton, bitterly accused by some Republicans of launching the attack to divert attention from impeachment proceedings, said "it would have been a disaster" if the United States had failed to act. That, he said from the White House, would have left Iraq free to develop weapons of mass destruction unconstrained by any meaningful United

Nations arms inspection program.

Mr. Clinton spoke by telephone Thursday to the leaders of Egypt, Jordan and France to seek their support, following other calls Wednesday. Secretary of State Madeleine Albright said she had spoken to the heads of at least 20 countries.

Russia and China harshly criticized the use of force against Iraq. In Moscow, the State Duma, the lower house of Parliament, passed a resolution calling the air strikes "international terrorism."

In a televised news conference from Baghdad, Foreign Minister Mohammed Said Sahaf said that American and British officials who claimed Iraq had not complied with UN resolutions were "liars."

Mr. Sahaf said the early morning cruise missile attacks had caused "heavy casualties and collateral damage."

He said missiles had hit the security police and military intelligence headquarters buildings in Baghdad, but gave no details of damage or casualties.

See IRAQ, Page 4

Life Goes On In Baghdad, With School And Nuptials

By Howard Schneider
Washington Post Service



Mr. Clinton with Vice President Al Gore in the Oval Office on Thursday.

World Reaction: Mostly on the Cool Side

• Reaction to the attacks ranged from anger, to skepticism in France, to support shaded with regret from European allies. Page 4. • Blair defends Clinton's timing. Page 4. • In the West Bank, Clinton's honeymoon is over. Page 5. • Inspectors believe Iraq is hiding a huge stockpile of deadly germs. Page 2. • Will strikes reach their ultimate goal? Page 2.

See BAGHDAD, Page 4

Law Lords Give Pinochet A 2d Chance at Immunity

By Warren Hoge
New York Times Service

LONDON — In a step lifting General Augusto Pinochet's hopes of escaping extradition to Spain and returning home to Chile, the House of Lords on Thursday set aside its decision last month denying him immunity from arrest.

The Lords scheduled a new hearing a month from now, and if the former Chilean dictator succeeds in convincing a new five-judge panel of his claim to immunity, he will be free to leave. Before Thursday's decision, the 83-year-old general had faced the certainty of an extended stay in custody in England while his case proceeded through motions and appeals that could stretch on for more than a year.

The decision represented the first time in the history of the Law Lords, England's highest court, that a verdict had even been reviewed, much less rejected. A five-judge panel set up for the purpose heard arguments Tuesday and Wednesday, and Lord Browne-Wilkinson, the chief Law Lord, announced their unanimous verdict on the floor of the ornate upper chamber Thursday morning.

While he said the judges had not had time to compose their opinions and would make them public only in January, there was no doubt that they had accepted arguments from General Pinochet's lawyers that last month's three-to-two verdict was tainted by bias.

The attorneys' sole point in pressing the unprecedented appeal had been that Lord Hoffmann, the judge who cast the decisive vote, had erred in not declaring his association with Amnesty International, an active participant in the case. The group had been given rarely extended permission to make its own case alongside British prosecutors against General Pinochet during the six days of hearings.

Lord Hoffmann, it had emerged, has been a director and chairman of a principal Amnesty International charity since 1990, and his wife, Lillian, has worked in the press and publications office of the human rights group since 1977.

Clare Montgomery, General Pinochet's lead trial lawyer, told the panel of Law Lords on Tuesday, "What judges must not do once they have accepted a

See PINOCHET, Page 5

Impeachment Debate Set

By Peter Baker
and Juliet Eilperin
Washington Post Service

WASHINGTON — After a 24-hour pause while missiles rained onto Iraqi House Republicans and Democrats engaged in a furious clash Thursday over whether to proceed with impeachment proceedings while air strikes ordered by President Bill Clinton continue.

The speaker-designate, Representative Bob Livingston, Republican of Louisiana, had postponed the impeachment showdown scheduled for Thursday morning out of reluctance to send a message that might be seen as undercutting the military.

But amid deep Republican skepticism about Mr. Clinton's motives, Mr.

Livingston was unwilling to wait long and decided to bring the four articles of impeachment to the floor Friday morning for a lengthy debate and vote on Saturday.

Angry Democrats, however, used procedural maneuvers to block Mr. Livingston's plans for the debate, complaining that it would be un-American to impeach the commander in chief with troops in the field.

The two-day debate schedule outlined by Mr. Livingston requires unanimous consent to waive the rules, which Democrats refused to give. As a result, Republicans said they would go ahead with the debate on Friday morning, but under the ordinary rules that allow only a single hour of debate and do not need consent of the minority.

"We cannot refrain from advancing the people's business," he said.

The House minority leader, Representative Dick Gephardt, Democrat of Missouri, said he was worried about the morale of the 24,000 U.S. soldiers, pilots and sailors engaged in hostile action. "I want them to see nothing from us but

See CLINTON, Page 4

The Reservoir of Credibility Runs Dry

Clinton's Motives in Bombing Publicly Challenged in Congress

By R.W. Apple Jr.
New York Times Service

WASHINGTON — Suddenly, it became startlingly clear how much the long months of evasion and legalisms, how much his enemies' unceasing denunciations of him as a liar, have cost Bill Clinton and the nation.

Gripped by crisis on two fronts, the president came face to face with the jolting reality that his credibility is crumbling, especially but not exclusively among Republicans on Capitol Hill. Some sober, experienced leaders no longer take him at his word. It is a situation he must remedy, and quickly, but it is not clear he can do so.

On a day of truly explosive drama in the politically-punjab'd capital, two of the long-running conflicts of these final years of the old millennium col-

lided Wednesday with a bang: the Western allies' struggle to contain and disarm the resurgent President Saddam Hussein of Iraq and Mr. Clinton's struggle to govern effectively in the face of the assaults of his political foes.

Senator Trent Lott, Republican of Mississippi, the majority leader, went so far as

to publicly question Mr. Clinton's motives in ordering attacks on Iraq — a violation of Washington's long-standing political code. You don't criticize the president, that code says, when U.S. forces stand in harm's way.

Norman Schwarzkopf, the retired general who commanded U.S. troops in the Gulf War in 1991, joined prominent Democrats in firing back. He said on NBC, "By golly, troops are committed, and we can't have people second-guessing the way they did in Vietnam."

See FOES, Page 4

Retreating From Reform, China Tries 2 Dissidents

By Michael Laris
Washington Post Service

BEIJING — China put two prominent dissidents on trial Thursday in two cities in a move to suppress a six-month-long campaign to inaugurate the country's first opposition party.

The trials of Wang Youzai and Qin Yongmin, both charged with "inciting the overthrow of state power," were intended as a blunt reminder that the new rules do not apply to dissidents.

It is unclear whether the crackdown

against the China Democratic Party is

Communist Party will brook no challenges to its rule.

Mr. Wang, tried in the eastern city of Hangzhou, and Mr. Qin, tried in the central city of Wuhan, were forced to represent themselves in court because the authorities detained and intimidated their lawyers, family members said.

The trials appeared to represent a step backward for China's efforts at legal reform and raised questions about how the government views its obligations under the International Covenant on Civil and Political Rights. Beijing signed the charter, which guarantees freedom of expression and association, in October.

Last year, criminal defendants in even the most heinous murder cases were given the right to some form of legal representation when China put a new criminal procedure law into effect. By apparently violating the law Thursday, Communist Party authorities sent a message that the new rules do not apply to dissidents.

It is unclear whether the crackdown

AGENDA

Students Wounded in Jakarta Clashes

The Dollar

New York Thursday 4 P.M. previous close

DM 1,867.51 1,661

Yen 118.25 116.565

FF 5.5925 5.5562

Pound 1,6733 1,685

Dollars per pound

The Dow

Thursday close percent change

+85.22 8,875.82 +0.97%

S&P 500

+18.02 1,179.96 +1.55%

Nasdaq

+34.53 2,043.89 +1.72%

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THURSDAY

The Intermarket Page 14

The IHT on-line www.iht.com

Paris Strikers Block Trains to London

PARIS (Reuters) — Maintenance workers blocked passenger train traffic at the Gare du Nord in Paris on Thursday, halting high-speed trains to London and Brussels, management of the state railway company SNCF said.

Union officials said the maintenance workers walked off their jobs after learning of management plans to eliminate positions.

Web Shopping Boom

American consumers are changing their holiday shopping habits and, with just one week until Christmas, are making on-line purchases at levels that have surpassed estimates. Page 15.

See CHINA, Page 5

Herald Tribune

INTERNATIONAL

SPORTS

THURSDAY, DECEMBER 17, 1998

WORLD ROUNDUP

Drug Investigators Target UEFA Officer

SOCCER Italian prosecutors notified Antonio Matarrese, a UEFA vice president and former head of the Italian federation, on Wednesday that he is being investigated in connection with the use of performance-enhancing substances in Italian soccer.

The notice of investigation—for allegedly playing a role in hiding positive drug tests to help clubs or players—arrived at Italian federation headquarters just hours before an exhibition match commemorating the federation's centennial, the ANSA news agency reported.

"I respect the magistrate but when I see things like this I don't know what to think," Matarrese said. "I don't see where the crime is. I don't understand what's happening. I feel like I'm dreaming." (AP)

No Instant Replay, Yet

FOOTBALL The National Football League's rule-making committee voted 7-1 against reintroducing instant replay this season, although six of the eight members said they would favor bringing it back next season. The vote followed a series of bad calls by officials. (AP)

Mitchell Cleared, For Now

ATHLETICS Dennis Mitchell, the Olympic sprinter, did not commit a doping violation, a three-member panel unanimously agreed.

The USA Track & Field Doping Hearing Board's decision came for now. The international athletics federation's doping commission will study the material in April and decided whether to accept the ruling.

Mitchell was suspended in July after a sample from an out-of-competition test suggested high testosterone and epitestosterone levels. (AP)

Raise for McGwire Victim

BASEBALL Steve Trachsel, who served up one of Mark McGwire's history-making home runs, is guaranteed \$5.15 million under a new one-year contract with the Chicago Cubs. Trachsel, a 28-year-old right-hander, went 15-8 last season. On Sept. 8, he threw the pitch that became home run No. 62 for the McGwire, breaking the record held by Roger Maris. (AP)

State Pays High Price For Spot on NFL Map

CONNECTICUT Lures Patriots With Lavish Deal

By Michael Grunwald
Washington Post Service

HARTFORD, Connecticut — "Put all your eggs in one basket," a Hartford resident named Mark Twain once wrote, "and Watch That Basket." The Connecticut legislature, in a special session, put Hartford's eggs in a basket that has attracted beleaguered cities around the United States: a publicly financed sports stadium.

The Democratic-controlled House and Senate, meeting simultaneously, easily approved a deal between Republican Governor John G. Rowland and Robert Kraft, the New England Patriots owner, luring the Patriots, of the National Football League, away from the Boston area with a lavish package of financial incentives.

"Make no mistake: Tonight we made Connecticut history," Rowland said Tuesday. He presented Kraft with a Connecticut license plate that read NEPAT'S. The bill was exempted from scrutiny by legislative committees and was subject to only one public hearing, but as Twain wrote in "The Gilded Age," "There's millions in it!" Just one protester, Clifford Glasberg, a convenience store clerk, stood outside the Capitol to voice opposition, holding placards that read "Public Need Not Corporate Greed" and "Welcome to Giveaway City."

When Kraft tried to build a stadium near Boston, he was thwarted by legislative opposition to spending public money on private sports teams. He has been welcomed in Hartford with open arms and a nearly-as-open checkbook.

Although studies have questioned the economic benefits of publicly financed arenas, governments around the United States have ponied up more than \$8 billion in recent years for sports facilities, including roughly \$220 million to ease the Ravens into Baltimore and \$70 million for roads around the Washington Redskins' Jack Kent Cooke Stadium.

Several economists have labeled the Patriots' deal the most lucrative yet. One state representative asked whether Kraft will also get to sleep in Twain's old bed.

The state will pay the entire \$375 million cost of the 68,000-seat stadium and an estimated \$115 million for repairs over the next 30 years. Kraft will pay no rent and will collect all revenue from parking and naming rights. Ralph Nader, the consumer activist, has suggested Taxpayers Stadium.

The state will pay to remove toxic coal

tar, cyanide and benzene on the proposed site and to relocate a steam plant now on the future 30-yard line. Connecticut will assume much of the risk if the Patriots fail to fill the stadium, which could cost it \$1 billion over 30 years.

"This is a day that will live in infamy," said Edith Prague, a Democrat state senator. "We could do so much with this money to improve the quality of life in Connecticut."

She was referring not to the thriving Connecticut of posh suburbs with dainty town greens and multimillion-dollar mansions, but to the desperate Connecticut of aging industrial cities with crumbling infrastructure and dangerous slums.

The state has the highest per-capita income in America, but one of every five children lives in poverty.

Hartford is still a major insurance city, but the industry has contracted through mergers, and the city has been plagued by high crime as well as unemployment. But Hartford's main problem may be emnui: 100 million cars pass by "America's filing cabinet" every year, but few stop.

Stadium supporters say the Patriots can bring Hartford back, or at least make up for last year's departure of the Hartford Whalers hockey team to North Carolina. The project will create more than 2,500 temporary construction jobs, they say, and it will serve as the anchor for a \$1.2 billion waterfront redevelopment.

The stadium will also serve as a home field for the University of Connecticut football team, allowing the Huskies to move up to Division I-A. But the most attractive benefits for the state seem to be the intangible ones, the idea that an NFL team will invigorate the image of "the state of steady habits," a state with a serious inferiority complex.

"This deal will put Connecticut on the map," said Thomas Upson, a Republican state senator. "This will give our children a reason to stay here."

Many critics thought Connecticut was already on the map. They resent the deal's implications for the state's priorities.

The state has slashed funds for affordable housing and refused to fund programs for teenage dropouts. The state already has the nation's highest per capita debt burden. Just last week, state public colleges announced tuition increases.

"If Connecticut legislators want to be morons, they're welcome to be morons," said Thomas Flanagan, the Massachusetts House Speaker who scuttled the Boston stadium. "It's their money."

Developing bribery scandal," said Stephen Pace, chairman of Utahans for Responsible Public Spending.

Salt Lake's bid was funded with private money, and officials have refused to open the financial books.

But revelations that the bid committee spent nearly \$400,000 on 13 scholarships—including six for relatives of International Olympic Committee members—could force the Salt Lake committee's hand.

Officials involved in failed bids around the world continued to line up and accuse the IOC of corruption.

In Canada, members of the delegation for Quebec City's bid for the 2002 Winter Games said they felt betrayed.

"We have to be disappointed when you realize that not all the players were playing by the same rules," said René Paquet, Quebec City's bid chief.

"We had doubts that all the candidate cities were playing absolutely by the rules," said Paquet, a lawyer and businessman. "But having doubts is one



Carolina's Kent Manderville, left, and Edmonton's Mats Lindgren in action in a game the Hurricanes won.

Hull Roars Back to Lead Stars Over Blues, 7-3

The Associated Press

DALLAS — Brett Hull was eager to play against anybody after missing seven of the previous eight games with a groin injury. The fact that it was his former St. Louis Blues teammates made it special.

The return was a rousing success for Hull as he scored twice Tuesday night to lead the Stars to a 7-3 victory.

"I was hoping that I wouldn't get hurt again," said Hull, who has been bothered by the injury all season. "I

NHL ROUNDUP

was nervous before the game, but I got over it once the first period was over.

The Blues are a good club, and if my two goals helped, that's all I can ask."

Hull's power-play deflection late in the first period put the Stars in front, 3-2. He added his eighth goal on a breakaway late in the second period to push

Dallas's advantage to 6-3.

Hull's teammates knew the game would be special for him, especially after he missed the Stars' first trip to St. Louis on Nov. 21 because of a bruised kidney. Hull signed a three-year, \$1.7 million free agent deal with the Stars last summer, and was anxious to get the first meeting behind him.

Brian Skrundis's second-period goal snapped a 3-3 tie to give the Stars the lead for good as Dallas ran its unbeaten streak to six and improved to 11-2-2 at home.

Joe Nieuwendyk also had two goals as the Stars had their biggest scoring outburst in exactly a year. On Dec. 15, 1997, the Stars beat the Buffalo Sabres, 8-4.

The Blues, winless in their last six games, tried not to get caught up in the Hull hoopla. They need to win against anybody.

"We had breakdowns and they cost

us goals," St. Louis defenseman Chris Pronger said.

Islanders 1, Sharks 0 New York snapped a string of seven straight losses, winning at San Jose behind Tommy Salo's fifth shutout of the season, tying him for the league lead. It was his 14th career shutout.

Mike Watt scored the game's lone goal, taking Barry Richter's pass and beating Mike Vernon midway through the second period.

Penguins 3, Lightning 2 In Pittsburgh, Kevin Hatcher scored with 1:43 left in overtime to lift the Penguins over Tampa Bay.

Hatcher beat Corey Schwab to hand the Lightning their 13th loss in 15 games.

Mariners 3, Oilers 0 Glen Wesley scored his 100th career goal and Arthur Irbe recorded his second consecutive shutout as Carolina beat visiting Edmonton.

Salt Lake City Panel Begins Inquiry

Compiled by Our Staff From Dispatches

SALT LAKE CITY, Utah — The Salt Lake Olympics Organizing Committee's ethics panel will scour eight years of documents to find out how nearly \$13 million was spent and to try to clear its image after allegations of bribery.

The chairman of the panel, Gordon Hall, who is a retired Utah Supreme Court chief justice, said the group had no power to penalize.

"We are not a fact-finding body," he said. "We don't do investigations."

As far as doing things like removing trustees of the Salt Lake Olympics committee, "we don't have any such authority," he said.

Shelley Thomas, a committee spokeswoman, said she could not promise that their findings would be made public, but government leaders and the head of an anti-Olympics group said nothing less would do.

"The Utah Games effort has been grievously damaged, and the public confidence greatly eroded by the de-

velopment and being able to produce some specific facts is another."

Paque said he was approached by an "agent" offering to sway IOC members to vote Quebec City's way, for a price.

"My answer was quick and precise," he said. "We did not play that game."

In England, Graham Stringer, a member of Parliament, said Wednesday that Britain should not bid for the Olympics until the IOC proved that the bidding process was free of corruption.

Stringer was leader of Manchester's city council during two failed bids for the 1996 and 2000 Olympics.

He said two IOC members had tried to make money out of visits to the city. Stringer said one had sought £12,000 (\$20,170) reimbursement for hotel room.

"When we said we would get the police," Stringer said, "he did not seem keen. It was merely a way of asking for cash." He said another member had an air fare paid by Manchester and that the flight was paid for by the IOC. (AP, Reuters)

SCIENCE DISCOVERY

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Maxwells Equations & Quantum Mechanics

Maxwell's Law for electromagnetic waves state: When the electromagnetic wave is polarized it will always have a complementary (second wave). They will move in the direction of the propagation. They make an electric field where the waves are vertical to each other (fig. 2 & 23).

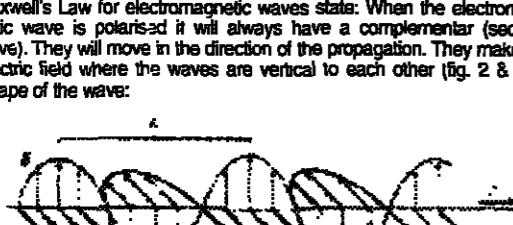


Figure 2: Radiation fields in which vectors E and B are perpendicular to each other and in the direction of propagation (see text).

I refer to Encyclopaedia number 23 p.3-16 n.18g, 196 and others of which you should be able to find.

From the beginning of June 1988 I sent some faxes and letters with "Maxwell's Law for electromagnetic waves" to Scientific American and Max Planck Institute.

When I started this project I had read an article in Helsenberg's book "Der Teil und das Ganze" (Physics and Beyond) from 1971. Here Dr Grete Helsenberg defended Immanuel Kant's philosophy and the Law of Causality against Helsenberg who would not accept the law. My aim was to prove that Grete Helsenberg was right.

Later I found an article in Scientific American, January 1988 vol. 158 no. 1 "The reality of the Quantum World" by Shimony. He states that there are "peculiarities" with Quantum Mechanics and Superposing/Antiannihilation & Heisenberg's Indefinite System that cannot be explained with classic physics. I believe that with my theory I can prove that they act in accordance with the law of Causality.

One of many times I read through the Encyclopedia Britannica I found (with micro letters) that there was a connection between Superposing and Maxwell's equations. If you send a polarized wave or quant from a light source it will always have a complementary moving in the same direction and in vertical position to each other. Law for complementarity. See fig. 2 above. This is how I did find the forgotten law from 1865-7. It seems to have been forgotten in S.A. too.

I hope some scientist will have the courage to stand up and say that I am right, or if not, to state what is wrong. Evid. say when he (she) has seen my project before June 1988.

Einar Fris Jarry - Jon Smestad 2. 0377 Oslo, Norway.

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Classic Physics

Physics is more than equations, it is words and conversations. The article left gave no response. My impression is that there has come during the last 2 years so many books with new equations that my article was of no interest. The only place where I have seen Maxwell's Law in words is in encyclopedia number 18 196 & 23 p.3-23.

The 3 constitutive equations and the first 3 of the field equations are precise formulations of known empirical laws. In the forth field equation Maxwell introduced a new hypothesis that an electric field can produce magnetic fields. This hypothesis can be verified by electrical experiments leading to the theory of electromagnetic waves capable of being propagated through a vacuum.

Propagations of electromagnetic waves, when Maxwell's equations are combined, using standard mathematical methods, a new equation is obtained, this similar in form to the equation of the wave. It is a hypothesis that an electric field can produce magnetic fields. This hypothesis can be verified by electrical experiments leading to the theory of electromagnetic waves capable of being propagated through a vacuum.

Gravitation - A New World. The theory does not only attract the planets, it also pushes them. The planets will always be in EQUILIBRIUM between these two forces, as the planets move at different speed around the sun they will never have a permanent position. This will change as they always are in equilibrium position.

The reality of the Quantum World by Shimony. He states that there are "peculiarities" with Quantum Mechanics and Superposing/Antiannihilation & Heisenberg's Indefinite System that cannot be explained with classic physics. I believe that with my theory I can prove that they act in accordance with the law of Causality.

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THE AMERICAS

In Congress, Anger Radiating in All Directions

By Guy Gugliotta
Washington Post Service

WASHINGTON — It was like throwing gasoline on a fire. The impeachment of President Bill Clinton had already turned the House into the partisan equivalent of an armed camp, but when the bombing of Iraq began, tempers exploded.

Republican House members, virtually certain they had the votes to impeach Mr. Clinton on at least one and possibly two counts of perjury, trooped to the Capitol's basement late Wednesday to hear from their leaders why they should postpone — why they would have to postpone — the impeachment debate.

An hour later the Democrats held their own meeting. Their plan was to remind the Republicans and the public during the impeachment debate scheduled Thursday that the Republicans had refused to countenance a censure proposal, when censure was the nation's preferred option.

"Our people are more than upset," said a leadership source. "This is farcical."

There were "some divisions in the conference," Representative Jim Leach, Republican of Iowa, acknowledged. Members lined up to state their views as the hours dragged by.

At the Democrats' meeting, Representative Edward Markey of Massachusetts talked about a rally at Harvard University on Tuesday night, where speakers ripped impeachment for hours. "People were trying to crawl in under the door," Mr. Markey said.

Representative Mark Edward Sridar, Republican of Indiana, the only conservative Republican opposed to impeachment, said at his party's meeting that he was ripped to bits in Fort Wayne for weeks.

Whatever transpires would not come as a shock to me. Imagine being a bit player on the stage of the theater of the absurd. How would you feel?

added. "How would you feel?"

Not good.

Nerves began to fray in the early afternoon when news started to waft through the halls of the Capitol that the bombing of Iraq was set for 5 P.M., the same time that the House Republicans started their meeting. Rumors circulated of a deal to postpone debate.

An anguished Representative John Cooksey, Republican of Louisiana, phoned a reporter shortly after noon to suggest that the bombing "just isn't a good thing to do." Mr. Clinton and President Saddam Hussein of Iraq "are two guys who are altering their political careers by using their armed forces, and misusing them in my view," Mr. Cooksey said. "Anyone who misleads cannot lead."

Did that apply just to Mr. Saddam or did...

I didn't say that."

But the Rules Committee chairman, Representative Gerald Solomon, Republican of New York, did.

"Never underestimate a desperate president," he said in a news release a few hours later. "What option is left for getting impeachment off the front page and maybe even postponed?"

None, he soon concluded in a generally civil and orderly meeting with Representative Tom DeLay, Republican of Texas, the combative House majority whip, started his colleagues and Mr. Cohen by demanding to know whether he believed that national security would be endangered if the House were to proceed on Thursday with a vote on the impeachment resolution.

The White House responded almost immediately with an unvarnished broadside of its own.

The leadership of the speaker-designate, Representative Bob Livingston, Republican of Louisiana, was called into question, even before he took the gavel. He had pledged to reach out to Democrats, but the minority party was steaming over his refusal to countenance a censure resolution.

"We can't believe we're at this stage without censure, and the Democrats are going to fight," Mr. Markey said. "They used to say the GOP was the Grand Old Party. I call them Get Our President."

■ Cohen for the Defense

The White House sent the most prominent Republican in the Clinton administration — William Cohen, the secretary of defense — to offer personal testament to the integrity of the attack from the well of the House of Representatives. The New York Times reported.

For slightly more than 90 minutes, Mr. Cohen spoke to a closed gathering of lawmakers. He offered a detailed accounting of the decision to attack and asked for bipartisan support of the action.

He appeared with the chairman of the Joint Chiefs of Staff, General Henry Shelton, and the director of central intelligence, George Tenet, at the invi-

tation of Newt Gingrich, the departing House speaker. Unlike some of his colleagues, Mr. Gingrich was notably restrained in his reaction to the raid.

The meeting was described as a generally civil and orderly until Representative Tom DeLay, Republican of Texas, the combative House majority whip, started his colleagues and Mr. Cohen by demanding to know whether he believed that national security would be endangered if the House were to proceed on Thursday with a vote on the impeachment resolution.

Mr. Cohen at first declined to answer, according to officials who were present, saying that such a decision should be left to the House.

Mr. DeLay pressed the question, and Mr. Cohen responded with a plea for support.

"It's been the tradition throughout history that when we have people out there with the risk of dying, it's good to have good bipartisan support," Mr. Cohen said, according to a witness.

The remark was greeted by applause from throughout the chamber, said one of those present.

Mr. Cohen continued: "Unity and bipartisan support is important for the morale of the troops."



Bob Livingston, the speaker-designate, discussing the bombing of Iraq.

BRIEFLY

Tycoon Denies Funding Plot

WASHINGTON — The conservative billionaire Richard Mellon Scaife says President Bill Clinton is "an embarrassment" but denies that Scaife money helps support a rightist conspiracy to hurt the president.

"I just want the truth to come out about Whitewater," the reclusive Pittsburgh philanthropist told John F. Kennedy Jr., the editor of *George* magazine, in a rare interview. "I think there's been a massive cover-up about what Bill Clinton's administration has been doing, and what he was doing when he was governor of Arkansas," said Mr. Scaife, who funds many anti-Clinton groups.

Saying Mr. Clinton "can order people done away with at his will," Mr. Scaife suggested that the president might be linked to the deaths of dozens of administration officials and associates, including the White House aide Vince Foster, whose death was determined to be a suicide by investigators, and former Commerce Secretary Ron Brown, who died in a plane crash.

The 66-year-old heir to the Mellon oil and banking fortune also had harsh words for the independent counsel Kenneth Starr, whose investigation led to the inquiry of Monica Lewinsky and the specter of impeachment now threatening Mr. Clinton's presidency.

"Four years and \$40 million later, we haven't gotten anything," Mr. Scaife said. "Maybe Ken Starr is a mole working for the Democrats."

Mr. Scaife controls several foundations that have given millions of dollars to organizations run by critics of Mr. Clinton. That money included \$1.7 million for a project at the conservative *American Spectator* magazine to dig up information about Mr. Clinton's role in the Whitewater real

estate deal. Mr. Scaife's money also helped fund a chair at Pepperdine University that was to go to Mr. Starr, but the prosecutor later turned down the job.

Americans Expect a 'Yes' Vote

Most Americans now expect that the House of Representatives will vote to impeach President Bill Clinton even though a majority of the public prefers that Mr. Clinton be censured and not forced to face an impeachment trial in the Senate, according to the latest Washington Post-ABC News poll, released late Wednesday.

Two out of three Americans now believe the House will vote to impeach Mr. Clinton. But six in 10 also expect that Mr. Clinton would prevail in the Senate and not be removed from office, according to the Post-ABC News poll.

A total of 759 randomly selected adults were interviewed Tuesday for this national poll. The margin of sampling error for the overall results is plus or minus 4 percentage points. The survey and a flurry of other polls released in the past two days suggest that many Americans would prefer that Mr. Clinton resign rather than put the country through a protracted battle in the Senate.

(WP)

Quote/Unquote

Representative Gerald Solomon, Republican of New York and chairman of the House Rules Committee, as President Bill Clinton ordered an attack on Iraq on the eve of the impeachment debate: "It is obvious that he is doing this for political reasons, and I and others are outraged. They deliberately ignored the Congress."

(NYT)

New Hope for Reversing Heart Disease

Vegetarian Diet, Yoga and Walking Found Better Than Drug Therapy

By Sally Squires
Washington Post Service

WASHINGTON — People with heart disease who eat a very low-fat vegetarian diet, exercise religiously, practice stress reduction daily, meditate and avoid smoking can significantly reduce blockages in their arteries without the need for drugs, according to researchers.

Doctors have debated for more than a decade whether moderate to severe heart disease can be reversed by lifestyle changes alone. Several dozen studies have clearly shown that cholesterol-lowering drugs can significantly reduce blockages and reverse heart disease. But these medications are costly and can have side effects.

A new study involving 48 patients published Wednesday in the *Journal of the American Medical Association* found that an austere lifestyle regimen can significantly reduce blockages with-

out the use of drugs, allowing patients to avoid balloon angioplasty and bypass surgery.

The study "tells us that the longer you participate and the longer you adhere to this kind of program, the healthier you will be," said Peter Kauffmann of the National Heart, Lung and Blood Institute.

The study compared a program designed by the cardiologist Dean Ornish with the American Heart Association's recommended diet.

By comparison, the average American diet has about 35 percent of total calories as fat. The American Heart Association diet contains about 30 percent of calories as fat and limits the amount of saturated fat to 7 percent or less of total calories.

People in the Ornish program also engage in an hour a day of yoga and meditation, a half-hour of walking, and agree to give up smoking.

Twenty of the participants on the Ornish program completed the five-year study, compared with 15 of the patients on the American Heart Association diet. Blockages improved by nearly 5 percent among those on the Ornish program after one year and showed about an 8 percent improvement after five years.

In contrast, blockages among patients on the American Heart Association program became 5 percent worse during

the first year and were 28 percent more advanced after five years, the study found.

Heart attacks, the need for angioplasty, bypass surgery, hospitalization for heart disease and cardiac-related deaths were nearly twice as common in the American Heart Association group than in the group following the Ornish regimen.

Judge Cites Police Racism in Motorist Arrests

New York Times Service

BOSTON — In a case believed to be the first of its kind, a federal judge in Boston, sentencing a black man for gun possession, reduced the sentence because his long arrest record, she said, reflected a tendency by the police to stop black motorists more often.

Away From Politics

• Eight companies and 56 individuals were indicted in the plot to resell of more than \$5 million worth of cargo at Kennedy International Airport. The prosecutor said the plot started in 1996 when two employees of BAX Global were arrested for stealing four laptop computers from the company's warehouse at JFK. Investigators looked into past thefts there and at other air freight companies and discovered a fencing operation headed by a man from his New York home. (AP)

• A Kentucky teenager was sentenced to life in prison for a high school shooting rampage last year that killed three people and wounded five. Michael Carneal, 15, who pleaded guilty but mentally ill in October, will be eligible for parole in 25 years. He opened fire on Dec. 1, 1997, on students taking part in a morning prayer meeting at Heath High School in West Paducah, Kentucky. (Reuters)

• Screening people for lung cancer, which is not now routinely done, could save lives, researchers said. A Finnish study published in the journal *Chest* found that men whose lung cancer was found through chest X-ray screening were almost twice as likely to survive as men whose lung cancer was found by other means. (Reuters)

Local and state police forces in several states have been accused of pulling over black motorists for no apparent reason.

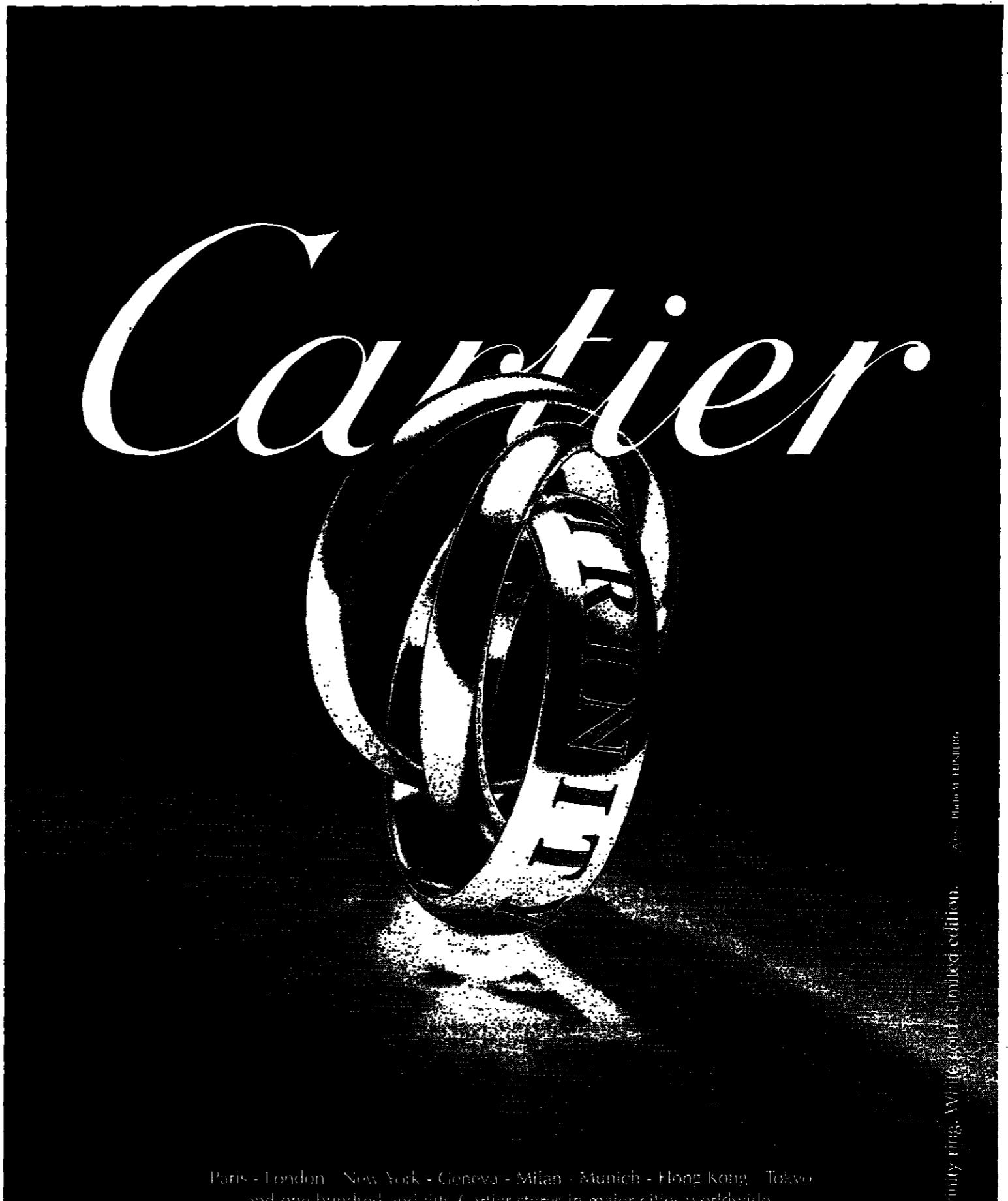
The judge, Nancy Gertner of U.S. District Court, said the preponderance of minor traffic offenses on the man's arrest record raised "deep concerns about racial disparity."

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مكتبة الأصل

ART BUCHWALD

Lessons Learned

NEW YORK — The bottom line of President Bill Clinton's impeachment problem is sex. We can't escape. Even The New York Times talks about it. The airwaves are full of it, and lately it has been the subject of rancorous debate in the House of Representatives.

The reason Americans are paying any attention at all to the story is that they can understand sex, but they can't understand Iraq. They are hard put to fathom the economic recession in the Far East, but they're very much at home discussing adultery in a bar.

If the president has any faults, and I'm not saying he does, it is in the area of candor. He did something he shouldn't have, which is O.K., but then he lied about it. All of us do things we shouldn't, but all of us are not president of the United States.

So, as far as the Republicans are concerned, it is not



Buchwald

the act but the denial that requires punishment.

The problem is that the majority of the people don't want to lose their leader over an affair with an intern — at least not while the price of heating oil is the lowest it's been in a long time.

At the same time, lying about adultery is a serious crime — in the same class with hitting a Coke machine to see if any coins will spill out.

We can't let the president off scot-free. He has offered to be censured and flogged 10 times by Attorney General Janet Reno at Camp David. But for the Republicans it is not enough.

Here are some other punishments that have been suggested:

• Have Dr. Kevorkian give him a physical examination.

• Attach a steel cuff to his ankle so we'll know where he is at all times.

• Make him apologize to the People's Republic of China in Mandarin.

After this dark nightmare is over, we will have to decide what we really have learned from the scandal.

Monroe Letter Sells for \$43,000

Agence France-Presse

NEW YORK — A letter written by a 16-year-old Norma Jean Baker, who became the movie star Marilyn Monroe, was sold Tuesday at Sotheby's in New York for \$43,125.

In the five-page letter dated Feb. 16, 1943 — to her guardian and friend Grace McKeen Goddard — the teenager describes her anxiety at the prospect of meeting her father for the first time. The meeting apparently never took place.

What we have learned is that if you commit an indiscreet act, gladly admit to it if there are tapes to prove it.

Don't trust people who say that stories about sex bore them. They are lying.

When a sex story breaks, you should be very careful wrapping fish in your newspaper.

Women are not always victims in a sexual situation. Sometimes they are the ones who ask you to RSVP.

The conventional wisdom is that sex is too serious to be left to Congress.

A Turkish Novelist Spurns the State's Honors

By Stephen Kinzer
New York Times Service

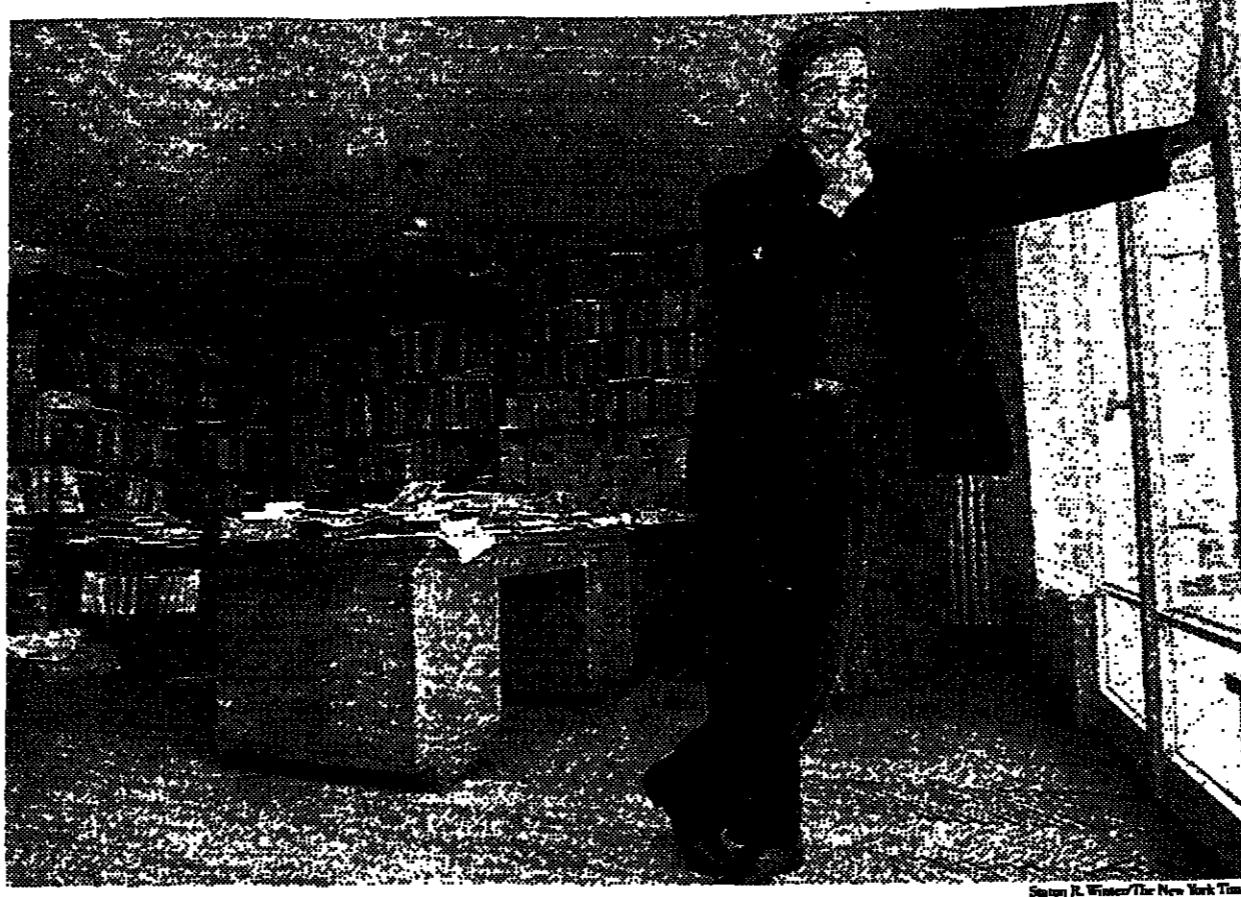
ISTANBUL — Turkey's most prominent young novelist, Orhan Pamuk, has turned down the coveted title of "state artist" awarded to him this month. He said that if he accepted it, he could not "look in the face of people I care about."

Pamuk is one of 85 writers, actors, singers and other cultural figures who were chosen for the honor by President Suleyman Demirel. Several declined, saying they disapproved of the selection process or did not want to be associated with some others on the list. But Pamuk was the only one who said he was doing so for political reasons.

"For years I have been criticizing this society for its approach to the Kurdish problem, for its failure to move toward real democracy, for its violations of human rights and banning of books," Pamuk said in an interview. "Intellectuals, pro-Kurdish writers and even fundamentalists are in jail for writing books or articles. I thought this was a good time to separate myself from this happy public, which lacks a sense of self-criticism and immerses itself in crazy nationalism."

Pamuk, 46, spoke on the eve of publication of his latest book, which is expected to be a best-seller here. The first printing of 50,000 copies, the largest ever for a Turkish novel, is being shipped to bookstores. He said he did not expect his refusal of the prize to hurt his standing here.

"I say no, and they respect that, even in the popular newspapers," he said. "In a sense, they even like it. The only thing that upsets them



Orhan Pamuk in his study overlooking the Bosphorus in Istanbul: "There is a moral issue here."

Stephen K. Kinzer/The New York Times

is that I talk to foreign journalists who, in their words, 'distort our reality.'"

"There is a moral issue here," he added. "This state does not have clean hands. If you accepted a prize from the White House during the Vietnam War, that would of course have political implications. This is a similar situation."

The title of state artist has been awarded sparingly in the past. Only 64 people have received it over the last quarter-century. The sudden announcement of such a large group of recipients this year may have been tied to Demirel's desire to broaden his popularity as elections approach.

In recent days, many newspapers and television stations have presented interviews with Pamuk. They concentrated on his new book, but he is regularly asked about his decision to reject Demirel's award.

His frank comments, often including the names of Turks he believes are unjustly imprisoned, have brought the issues of free speech and democratic rights to a broad audience.

Many of the artists Demirel chose to honor are pop singers and others whose mass appeal exceeds their intellectual contributions. But several serious artists, including some who are strongly critical of Turkish society, were also included

and have decided to accept. Their decisions reflect the conflicts that artists in many countries face when deciding how to deal with governments of which they do not fully approve.

"I have always been at odds with the Turkish state," said one of the winners, Ali Poyrazoglu, an actor and director known for his unconventional life style and political views. "I've been banned. I've been beaten up and I've suffered at the hands of this state. Now, for the first time, the state extends a friendly hand to me. I'm certainly going to shake that hand."

"Those who refuse the prize are not showing any real or radical

rebellion," said Poyrazoglu, who recently appeared in the New York production of the play "Pera Palas." "States are the same all over the world. They are oppressive by their nature, and artists are always opposed to this. So, why do people who jump to take prizes from a country like Germany say no to the Turkish one?"

Although the state artist title carries considerable prestige, it has no monetary value except to artists who are already employed by the state. They normally receive salary increases upon winning.

Pamuk, 46, is one of two Turkish novelists whose works have been widely translated and have won worldwide acclaim. The other, Yasar Kemal, an outspoken advocate of the Kurdish cause whose works depict the exploitation of peasants at the hands of tribal landowners, was named a state artist several years ago and also refused the honor.

Turkey's military has been struggling for 14 years to crush a separatist rebellion by Kurds in the southern region of the country.

In an interview in his book-lined study overlooking the Bosphorus, Pamuk said he hoped the controversy over his refusal of the prize would not overshadow the appearance of his new book, "Call Me Crimson." It tells the story of a 16th-century widow who searches for a new husband among the minstrels and illuminators of the Ottoman court. An English translation is to be published by Knopf next year.

"The book is going to be very much talked about," Pamuk said. "And I don't want that discussion to be damaged or limited in any way by this really tasteless debate."

PEOPLE

A FEDERAL court jury in New York City denied a claim by another composer that Andrew Lloyd Webber had stolen a musical passage for use in "The Phantom of the Opera." The jury had been asked to decide whether Lloyd Webber used a section of a 1978 song by Ray Repp, a composer of religious folk music, in the main theme of "Phantom." For Repp, the verdict was the end of a long legal battle that began after he first heard the "Phantom" theme in 1989. Saying he was struck by the theme's similarity to his ballad "Till You," Repp filed a copyright infringement lawsuit a year later. After eight years of legal machinations, Repp was granted a jury trial in January by a federal appeals court. "I have no doubt whatsoever that's my song," said Repp, who has 11 albums to his credit. Lloyd Webber testified that he had actually lifted the "Phantom Song" from one of his own compositions. "Close Any Door."

Shoshanna Lonstein says she and Jerry Seinfeld broke up because he

worked too hard and she played too much. Seinfeld "worked 24 hours a day, seven days a week," Lonstein told Details magazine. "And I wanted to run around and play." Now 23, Lonstein was only 16 when she met the comedian in 1992. She enrolled at the University of California, Los Angeles, to be near him while he was filming the "Seinfeld" TV series, but they broke up in 1997. "I'm happy I got to have the

relationship, but L.A. was a really lonely existence for me," Lonstein said.

A Mexican Army officer's diary that defies the popular American legend of Davy Crockett's death at the Alamo is being donated to the University of Texas, which tried but failed to buy the controversial papers last month. The memoir, purportedly an eyewitness account

written by Lieutenant Colonel Jose Enrique de la Pena, says Crockett was captured and executed March 6, 1836, along with others who had been defending the Alamo in their fight for independence from Mexico. Pena's account defies the traditional story, that Crockett valiantly fought Mexican troops to the end of the 13-day siege, wounding his long-nose, Betsy, like a club before he fell. The diary, which had been at the library at the University of Texas at San Antonio, was sold at an auction last month to two unidentified Texans — who turned out to be University Texas alumni, Charles W. Tate and Thomas O. Hicks — who paid \$350,000 for it and related documents.

Arnold Schwarzenegger is in talks to reprise his role in a third installment of the "Terminator," and James Cameron, the director of "Titanic," is planning to write and produce the movie, but not direct, Daily Variety says. Cameron directed the first two "Terminator" movies.

McCartney Seeks Return of Beatle Lyrics

The Associated Press

GOSHEN, New York — Paul McCartney contends that the original handwritten lyrics to the Beatles' song "Sgt. Pepper's Lonely Hearts Club Band" that a collector offered to sell him in August were stolen from his London home in late 1967 or early 1968.

McCartney wants the lyrics returned and filed a "show cause" order in state Supreme Court in Goshen last month demanding that one collector reveal the name of another, who now has the lyric sheet.

A photocopy of what appeared to be the lyric sheet was sent to him by Gary Zimet, who said an unidentified collector would sell it to McCartney for \$50,000. Zimet said Tuesday that he had revealed the collector's name to McCartney, but would not reveal it publicly.



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Arabs' Muted Criticism

U.S. Raids Are Unpopular, but So Is Saddam

By Lee Hockstader
and Nora Boustany
Washington Post Service

RAMALLAH, West Bank — As far as Anis Abu Hakhme is concerned, President Bill Clinton's honeymoon with the Arab people this week lasted 48 hours.

It began Monday evening when the American leader went to Palestinian-controlled Gaza City and delivered an impassioned speech on the plight of Palestinians. It ended Wednesday evening when Mr. Clinton sent U.S. missiles and bombs to obliterate targets in Baghdad.

On Thursday, Abu Hakhme, a courtly 63-year-old barber who wears a tie to work every day, taped a poster of Saddam Hussein in the window of his salon in Ramallah, just north of Jerusalem.

"Clinton gave a very nice speech in Gaza — people liked it," he said. "But it seems like he had a hidden agenda to postpone his day of judgment on his affairs with Monica." He was referring to Monica Lewinsky, the former White House intern.

He added: "We don't know what's in his heart."

The U.S. strikes, coming on the eve of the monthlong Muslim holiday of Ramadaan, are broadly unpopular in the Arab world. Arab public opinion typically sees the United States as exercising a blatant double standard by insisting on Iraq's compliance with United Nations resolutions on weapons of mass destruction while overlooking Israel's destruction of UN resolutions, including the demand that it withdraw unconditionally from southern Lebanon.

But among many Arab governments, Mr. Saddam is scarcely more popular

than the American strikes against him, so reactions Thursday to the renewal of war in the Gulf, while generally negative, were muted in some cases.

Since the last showdown with Iraq in mid-November, the Clinton administration has coaxed a number of major Arab governments to distance themselves from Iraq.

On Thursday, Arab newspapers issued scathing criticism of the U.S. action, but many Arab leaders measured their words, often expressing concern about the welfare of Iraqi civilians.

The secretary-general of the Arab League, Essam Abdel Meguid, said, "This strike is considered to be an act of aggression against an Arab country that was trying to implement and comply with UN Security Council resolutions."

He also asked why Israel, which has suspended implementation of a U.S.-brokered peace agreement, was going unpunished.

Selim Hoss, the newly designated Lebanese prime minister, condemned the air strikes as "a collective punishment and flagrant violation of all international charters on human rights."

But a senior Arab diplomat in Cairo said that a summit meeting of the 22-member Arab League was unlikely because Arab leaders harbored little sympathy for Mr. Saddam. Reuters reported.

Amongst Palestinians in several West Bank towns demonstrated in support of Iraq, their leader, Yasser Arafat, who basked in Mr. Clinton's presence in Gaza and Palestinian-controlled Bethlehem this week, was notably silent. That represented an about-face from the Gulf War of 1991, when Mr. Arafat openly sided with Mr. Saddam.



Palestinian children carrying Iraqi flags and posters of President Saddam Hussein during an anti-American rally in the Gaza Strip on Thursday.

One of Mr. Arafat's top aides, Saeb Erekat, delivered a carefully worded statement on the American action that fell short of outright condemnation.

"We demand an immediate cessation of this strike against Iraq," said Mr. Erekat, a principal Palestinian negotiator.

Storrs with Israel and the United States. "We believe that only through peaceful means can such problems be solved."

Palestinians held their largest pro-Iraq rally in the West Bank town of Nablus, where a couple of thousand Palestinians took to the streets, chanting "Death to America" and "Death to Clinton."

In Amman, Jordan, dozens of women chanted pro-Iraqi slogans and waved placards denouncing the first wave of U.S. attacks.

Several thousand students at Cairo University also staged demonstrations against the U.S. raids.

At the American University in Beirut, students carried out a sit-in during which they assailed the U.S. attacks as well as the acquiescence of Arab governments. "They bury their heads in the sand out of fear and shame," one poster read.

In Ramallah, a city bustling with color and commerce, Palestinians nearly set fire to the towering municipal Christmas tree when they burned an American flag, along with British and Israeli flags, in a small rally in the central square.

Gulf Arab governments were low-key in their responses, with Qatar and Oman simply expressing concern over the safety of Iraqi citizens.

Missile Intended for Iraq Hits Iranian Border City

TEHRAN — A stray missile from the allied attack on Iraq crashed into a southwestern Iranian border city on Thursday, causing no casualties but prompting a strong diplomatic protest from Tehran.

The official Iranian press agency, IRNA, quoted a source in the port of Khorramshahr as saying the missile touched down near the city's central mosque, shattering nearby windows and damaging property within a 200-meter (660-foot) radius.

The source told IRNA that the missile had apparently targeted one of the Iraqi installations in the city of Basra, but instead hit Khorramshahr, IRNA said.

The blast spread panic in the city, which was virtually destroyed during the 1980-1988 war between Iran and Iraq, but there were no injuries, the agency said. Iranian television showed a row of apartments whose hallways were strewn with broken glass. The report said the projectile was a cruise missile, but it was unclear whether the weapon's warhead had exploded.

State radio said Foreign Ministry officials had lodged a protest over the incident with the ambassador of Switzerland, who represents the United States in Iran, and with the British chargé d'affaires.

"The Swiss ambassador and British chargé were summoned to the Foreign Ministry, where the Islamic Republic

of Iran's strong protest regarding the landing of a missile in Khorramshahr was submitted to them," it said.

Ministry officials said they held Britain and America, which launched the joint attack against Iraq in the early hours on Thursday, local time, responsible for any damages or injuries.

No comment was available from the Western envoys, but the radio quoted them as saying the missile had deviated from its trajectory and that they expressed their regret.

The radio also quoted the Foreign Ministry as saying that Iranians making pilgrimages to holy Shiite Muslim sites in neighboring Iraq were safe and that preparations were under way for their return home.

PINOCHET: Law Lords Give General a 2d Chance at Immunity

Continued from Page 1

post with a charity is to hear a case touching on the very subject matter that charity has sworn to abolish."

Spain is seeking to try General Pinochet in Madrid on charges of genocide, terrorism and torture in the deaths and disappearances of more than 3,000 people.

Ms. Montgomery pointed out that Amnesty International had targeted her client as an enemy and associated him with the very crimes he is charged with in the Spanish petition. "When you consider how it appears," she said, "there is no reason to fear that Lord Hoffmann as a director of a company sworn to secure the end of torture and extra-judicial disappearances would be predisposed to find that no state immunity would attach to such acts."

In its ruling Nov. 25, the Law Lords argued that crimes like torture and hostage-taking did not enjoy sovereign immunity because they could not be considered functional acts of a head of state.

Lord Browne-Wilkinson made his announcement in the characteristically understated manner of the venerable House of Lords.

Speaking from a loose-leaf notebook to largely vacant red leather leather benches, he said, "I am satisfied that the earlier

decision of this House cannot stand and must be set aside. It is impossible in the time available to prepare and give full reasons for that view — on the other hand, it is essential that the parties should know where they stand as soon as possible."

The ruling brought a sharp reversal in the feelings of opponents of General Pinochet, who have been cheered by a series of unexpected turns in their favor, and the general's supporters, who have become increasingly angry at the government for not setting him free.

"This case should now be brought to an end," said Sir Norman Fowler, the Conservatives' chief law enforcement representative, halting the ruling. "This is a case which should be settled in Chile, not here in Britain."

Opponents of General Pinochet were despondent, and their first reactions were tinged with pessimism about the eventual outcome.

Carlos Reyes, spokesman for Chile's Democratic and Chileans in Exile, said he was "in total shock" at the decision and feared that this "could be the way out for Pinochet." Andy McKee, the chairman of Amnesty International, said, "Augusto Pinochet has very inventive lawyers. They are very good, very effective. They will make this a long case, one that is hard for him to lose."

He told the magistrate that he did not recognize the jurisdiction of any court outside of Chile to consider charges against him.

Jeremy Corbyn, a Labour member of

Parliament who is a human rights activist, said, "It must be remembered that it is still very significant that Pinochet has been arrested and brought into court at all, a lot of Chileans never thought that would happen."

Lord Hoffmann, 64, is seen in British legal circles as one of the brightest lawyers of his generation.

A South African who studied at Oxford as a Rhodes Scholar, he moved to England in 1964, and became a standout commercial lawyer before joining the High Court in 1983 and the Law Lords in 1995.

People in the legal establishment have expressed puzzlement at his failure to appreciate the need to disclose his links to Amnesty International. He has made no comment himself.

General Pinochet's chief lawyer, Michael Caplan, also declined to comment. In a separate effort to free the general, he is preparing a challenge to last week's decision by Jack Straw, the British home secretary, to let the Spanish extradition case go forward in England's courts. Because of that ruling, General Pinochet made his first public appearance since his arrest two months ago at a formal bail hearing last Friday.

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Clinton & Iraq / Under Attack

Iraq May Hide Huge Stockpile of Deadly Germs, Inspectors Say

By Judith Miller
and William J. Broad
New York Times Service

NEW YORK — UN weapons inspectors have concluded that Iraq could be hiding two to five times more deadly germ agents than it had admitted to making, as well as warheads to deliver them. UN officials said.

In interviews, the inspectors said Iraq's systematic refusal to cooperate in recent weeks had deepened their suspicions, which stem from evidence they have gathered since the end of the Gulf War.

The inspectors disclosed that Iraq had failed to turn over a key log book of purchases by its germ program, which would account, among other things, for the amount of media, or special food for germs, it had bought.

Iraq also refused to open buildings for routine inspections and only belatedly

made available the Iraqi experts who could help resolve key discrepancies about Baghdad's production of germ weapons.

In his speech Wednesday night, President Bill Clinton said he had ordered the attack on Iraq to help contain Saddam Hussein and his weapons of mass destruction. Mr. Clinton listed some of the obstacles and harassment inspectors faced. But the inspectors said the problems went far beyond the president's statements.

The scope of Iraq's germ program remains cloaked in mystery, the experts agreed, with every indication that Baghdad had backed out during this latest round of inspections on even its previous minimal cooperation.

"Clearly," said one official who returned from Baghdad, "they weren't going to cooperate and were going out of their way to cause problems."

Iraq has already confessed to making

enough deadly microbes to kill all the people on earth several times over.

After the Gulf War, Baghdad admitted to having loaded botulinum toxin (which causes muscular paralysis resulting in death into 16 warheads, anthrax (which causes high fever and is usually fatal within two weeks) into five warheads, and aflotoxin (which causes liver cancer) into four warheads.

It also acknowledged having filled 157 bombs with the same deadly agents, and having conducted research on trichothecene mycotoxins (which cause nausea, vomiting and diarrhea); wheat cover smut (which ruins food grains); hemorrhagic conjunctivitis (which causes extreme pain and temporary blindness); rotavirus (which causes acute diarrhea that can lead to death) and camel pox (a camel version of small pox).

But the inspectors now believe that Iraq could well have gone even further, based on discrepancies between what

Iraq has declared having imported, consigned, and destroyed.

Inspectors said that the biological teams were denied at least three key documents, at least one of which was key to reconciling Iraq's reporting record.

According to two inspectors, the UN team asked the Iraqis on the morning of the first day of meetings for a "log book" that described purchases and imports for the germ program, which several of them had seen in 1995 but had failed to grasp as significant. Among the log book's entries were imported shipments of media, or the special foods used for growing germs.

At the first meeting, the Iraqis promised to produce the critical log book. But each day, they offered another excuse. The inspectors said the book was critical to estimating the amount of germ agents that Baghdad could have produced and turned into weapons.

At first, the Iraqi team said they could

not find the book, two inspectors said. Then the Iraqis said that the book should be retrievable, but that if they found it, they would need the approval of Tariq Aziz, Iraq's deputy prime minister, to release it to the team. By the last day of the meetings, the Iraqis indicated that they were still looking for the book.

In other cases, the Iraqis refused to provide documents they acknowledged existed. One was a list from the customs department of imported food to grow germs, which was also requested on the first day of the meetings. The Iraqis said they could not find it, an inspector said.

An inspector said that if Baghdad had used the imported germ food to grow deadly agents, especially anthrax in either liquid or dry form, the microbes could still be used in weapons.

On Dec. 4, Diane Seaman, a U.S. inspector, tried to lead a large, experienced biological team into a site inspectors considered routine. While

she was permitted to go the building, the Iraqis refused to open the doors of the office she sought to enter, telling her that she would have to "break down" the locked doors. "It was a holy day," one inspector conceded. "But there can be no exempt days or the inspection system wouldn't work."

The Iraqis also delayed making available key officials from the biological program whom the inspectors sought to interview. "We had asked for six," one inspector said. "But they only produced three of the people we wanted at the early meetings."

By the last meeting, when their usefulness was marginal, Iraq finally produced the contingent.

But the Iraqis have told inspectors that two top scientists in the germ program whom the United Nations wanted to question are out of the country. One of them was said to be in Britain, an allegation London has denied.

U.S. Air Strikes Might Fail in Ultimate Goal

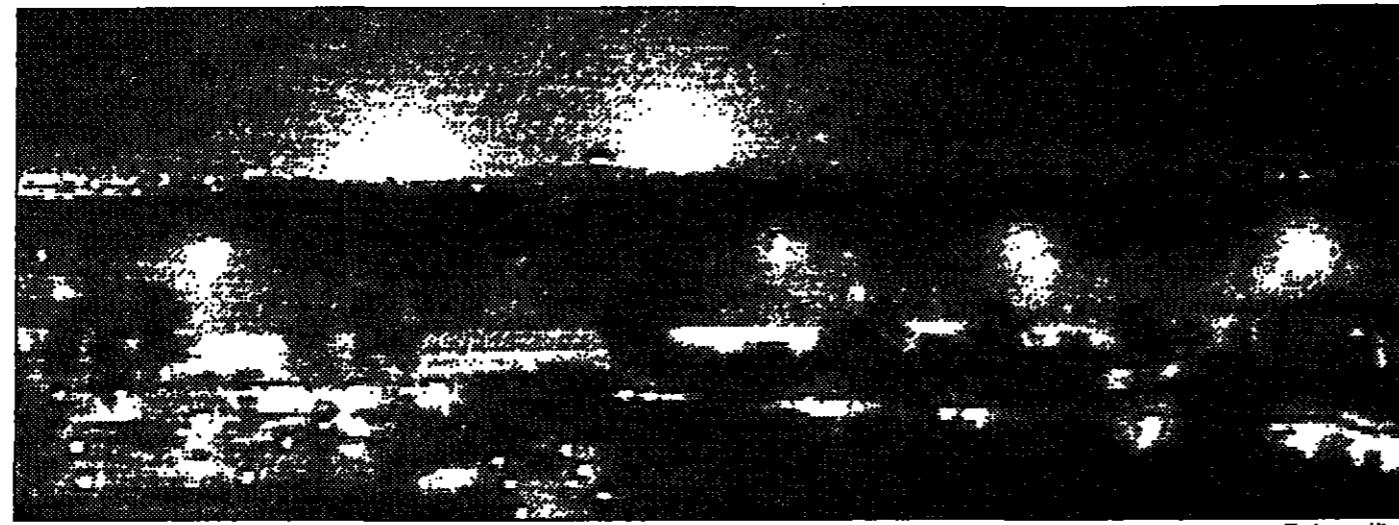
By Rick Atkinson and Vernon Loeb
Washington Post Service

WASHINGTON — President Bill Clinton has laid out a loose skein of aims for the latest Gulf military campaign, ranging from punishing Iraqi recalcitrance and shoring up U.S. credibility to compelling compliance with UN Security Council mandates and crippling Baghdad's enduring ambitions for weapons of mass destruction.

The most ambitious and heartfelt objective, however, is one that went unspoken except in Mr. Clinton's call for "a new Iraqi government": deposing President Saddam Hussein. U.S. planners hope that precise intelligence coupled with new refinements in precision weaponry will compensate for any shortfall in firepower, allowing the attacks to either fatally weaken the underpinnings of Mr. Saddam's regime, or kill him outright.

While certainly lethal, the forces at hand are a pale shadow of those mustered for the first Gulf War eight years ago, particularly given the multiple objectives enumerated by Mr. Clinton. Several hundred Tomahawk missiles and air-launched cruise missiles, and a few hundred sorties by attack aircraft will degrade Iraq's capacity for building weapons of mass destruction and for threatening its neighbors. But as the Gulf War demonstrated, that sort of military pummeling does not necessarily yield a political victory if Mr. Saddam remains defiant in power.

The definition of success may be even more difficult in Gulf War II than it was in Gulf War I, where the restoration of Kuwaiti sovereignty provided tangible proof of an allied victory. Without a change of regime in Bagh-



Flashes illuminating the Baghdad horizon early Thursday as the attacks began. Iraqi anti-aircraft guns repeatedly fired all night.

dad, the chief trophy for the Clinton administration will be Iraqi rubble, perhaps at a cost of terminating UN weapons inspections and the last shred of big power harmony on Iraq.

Despite the efforts of Mr. Clinton and other senior U.S. officials to portray the attack as an effort to reinvigorate the UN inspection regime, some analysts said it was more likely to end the inspection system once and for all. That would leave the United States and the United Nations attempting to impose an arms control regime on Iraq solely through sanctions and other external pressures.

"We are going to war to get rid of Saddam's weapons of mass destruction, yet we are jeopardizing if not destroying our prospects of getting Saddam's weapons of mass destruction," said William Arkin, author of a highly regarded analysis of the 1991 air campaign.

Some U.S. intelligence officials believe the Iraqi dictator is increasingly vulnerable to internal dissent, external opposition and regional isolation.

Two of Mr. Saddam's sons, Qusay and Uday, recently have been given expanded

authority, making nearly all of the ruling Ba'ath Party senior officials and government ministries subordinate to one or the other of them. Those moves are interpreted by intelligence sources to indicate substantial rivalries within the inner circle.

As for compelling Iraq to "come into cooperation" and "comply" with UN mandates, as Mr. Clinton put it, air power as a tool of coercive diplomacy rarely has been effective.

The allied coalition during the 43-day Gulf War dropped 88,500 tons of bombs, more than fell on Japan in the last six weeks of World War II. Even then, the U.S.-led coalition forces needed a massive land attack into southern Iraq to obtain not an unconditional surrender but a limited capitulation.

Mr. Clinton's political perils at home mean that his ability to rally and sustain support for an extended attack is limited. "The situation is so bizarre that one hesitates to know where to begin," said Eliot Cohen, a Johns Hopkins University strategic studies expert who extensively studied the Gulf War air campaign.

"I think the main thing is that the coalition is pretty fragile. Once you take some serious

civilian casualties, all of a sudden people start bailing out."

Bringing about Mr. Saddam's ouster with air power alone has proved impossible before. The air armada that waged the 1991 campaign totaled about 2,700 aircraft, compared with 8,000 planes currently in the Gulf region, supplemented by a dozen British bombers.

The current "target set" likely emphasized leadership targets and facilities used in the development of weapons of mass destruction, with U.S. planners benefiting immensely from seven years of intelligence gathered by UN weapons inspectors and information digested by highly placed Iraqi defectors. One analyst familiar with U.S. planning estimated Wednesday that potential nuclear, biological and chemical weapons targets now exceed 200, including dairies, breweries, pharmaceutical plants and other facilities that could have a legitimate civilian purpose as well as military potential. Forty-three such targets were hit during the Gulf War.

"The biggest difference between then and now is, the Iraqis are much, much weaker and we know much, much more," Mr. Cohen said. "That doesn't mean we'll be successful."

A 'Legal' Assault

Experts Cite UN and U.S. Resolutions

By Neil A. Lewis
New York Times Service

WASHINGTON — The legal justification for bombing of Iraq by U.S. forces is contained in congressional and UN resolutions dating from the 1991 Gulf War, government officials and scholars of international law said.

The most important element was the resolution adopted by the United Nations to end the Gulf War in February 1991, which was cited Wednesday by James Rubin, the State Department spokesman. That resolution provided for a cease-fire and established a system under which Iraq would demolish all weapons of mass destruction and allow unrestricted inspection of suspected weapons sites by a UN commission.

Asked about the legal authority to launch a military strike, Mr. Rubin told reporters: "I think one need go no further than to talk to the subject of the cease-fire resolution, Resolution 687, which set forth the conditions for a cease-fire."

Because Iraq has thwarted the weapons inspections required by the cease-fire resolution, Mr. Rubin said, the United Nations may then fall back on the earlier resolution that authorized military force and began the Gulf War, the start of which President George Bush announced on Jan. 16, 1991.

Ruth Wedgewood, a professor at Yale Law School, argued in the current issue of the American Journal of International Law that the cease-fire resolution was conditioned on Iraq's acceptance of inspections of suspected weapons sites. By blocking the inspectors, she said, the cease-fire resolution was automatically suspended.

She also said that the United States was not required to go back to the United Nations for additional permission.

Ms. Wedgewood added that the bombing of Iraq in January 1993 by forces from the United States, Britain and France reinforced the notion that such nations may act by themselves to enforce UN resolutions. That bombing occurred after Baghdad prevented weapons inspectors from using the Habbaniyah airfield, effectively preventing short-notice inspections.

But Michael Ratner, a lawyer with the Center for Constitutional Rights in New York, said he believed that the United States had no legal right to conduct the military operation against Iraq. Mr. Ratner, who brought an unsuccessful lawsuit in 1990 trying to block the Gulf War, said that after the cease-fire was in place, all authorization to bomb Iraq ended.

He said the United Nations would have to first formally declare that there has been a "material breach" of the cease-fire before it could fall back on the resolutions authorizing military force. To do otherwise, he argued, would allow "any nation in the world to decide unilaterally that Iraq has breached its promise to abide by the cease-fire resolution and bomb Baghdad."

A second legal issue is whether President Bill Clinton may authorize military force on his own without congressional authorization. The constitution vests Congress with the sole power to declare war. Yet according to various experts' tallies, presidents have sent forces abroad 130 to 200 times since the founding of the republic, even though Congress has explicitly declared war on only five occasions: the War of 1812, the Mexican War, the Spanish-American War and the two world wars.

Administration officials have argued that a resolution passed by Congress on the eve of the 1991 Gulf War provides the justification for the president to act unilaterally.

Saddam Hails 'Day of Triumph'

Reuters

BAGHDAD — The Iraqi leader, Saddam Hussein, has named the start of U.S.-led military strikes against his country as "the Day of Triumph," Baghdad radio reported.

"President Saddam Hussein has called today, in which Iraqis have confronted the American-British deceitful aggression, the Day of Stabbed," the radio said. "May God make it a day of sustained triumph and a historic day for Iraq under the leadership of Saddam Hussein," it added.

Hundreds of protesters organized by Arab doctors attending a conference in Baghdad, protested the air strikes Thursday and called on the United Nations to stop the bombing. The demonstrators delivered a written message to a UN official in Baghdad addressed to Secretary-General Kofi Annan.

WEATHER



Maps, forecasts and data provided by AccuWeather, Inc. ©1998 <http://www.accuweather.com>

North America

| | Today | Tomorrow | Wednesday | |
|-----------------|---------|----------|-----------|----------|
| | High | Low | High | Low |
| | Temp | Wind | Temp | Wind |
| Australia | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |
| Canada | 32°/20° | SW 10-15 | 32°/20° | SW 10-15 |
| Central America | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |
| Europe | 52°/40° | SW 10-15 | 52°/40° | SW 10-15 |
| North America | 52°/40° | SW 10-15 | 52°/40° | SW 10-15 |
| South America | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |
| United States | 52°/40° | SW 10-15 | 52°/40° | SW 10-15 |

Middle East

| | Today | Tomorrow | Wednesday | |
|--------------|---------|----------|-----------|----------|
| | High | Low | High | Low |
| | Temp | Wind | Temp | Wind |
| Afghanistan | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |
| Bahrain | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |
| Iran | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |
| Iraq | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |
| Jordan | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |
| Kuwait | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |
| Lebanon | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |
| Saudi Arabia | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |
| Turkey | 72°/60° | SW 10-15 | 72°/60° | SW 10-15 |

Legend: ☀-Sunny, ☁-Cloudy, ☃-Snow, ☂-Showers, ☃-Rain, ☁-Shower, ☂-Drizzle

Africa

| | Today | Tomorrow | Wednesday |
| --- | --- | --- | --- |
| | High | Low | High | Low |
| | Temp | Wind | Temp | Wind |

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ASIA/PACIFIC

Clashes in Jakarta Leave Scores of Students Hurt

Violence Follows Strong Warning by Habibie

New York Times Service

JAKARTA — Scores of students were wounded by rubber bullets in clashes Thursday with Indonesian security forces only hours after President B.J. Habibie warned that unrest on the streets could lead to the "disintegration of the nation."

The clash in central Jakarta, near Parliament, was the worst violence since Nov. 13, when 14 people were shot and killed and scores were wounded during anti-government demonstrations spearheaded by university students.

Speaking Thursday at an armed forces graduation ceremony in Jakarta, Mr. Habibie said: "There is a tendency to fight for political power through demonstrations. If uncontrolled these could lead to the disintegration of the nation."

"Freedom of public expression is every citizen's right and is protected by law," he added. "It should not be at the cost of other people's rights."

With tempers fraying on both sides, students who want former President Suharto arrested on corruption charges hurled rocks at riot police and soldiers who, in turn, fired warning shots, tear gas and rubber bullets to disperse the crowd of 4,000.

Witnesses saw riot police hurling rocks back at the students.

Late Thursday afternoon, reinforcements, including elite naval Marines, were rushed to support the riot police and Kostrad, or Strategic Reserve, units. This brought the total combined military strength to about 1,000 men.

By nightfall, security forces formed blocks of 100 and, banging their truncheons on their riot shields, started to march down the main toll road outside the Parliament building to clear the highway. The students had already dispersed, however.

Defense analysts say Indonesian security forces have adopted new tactics

to try to avoid bloodshed on the streets.

These include the use of stronger variants of tear gas, water cannon and additional use of barbed wire barricades to seal off roads.

As an additional safety measure, the armed forces chief, General Wiranto, has ordered that soldiers and riot police in face-to-face contact with student demonstrators should be unarmed except for batons and shields.

But this does not include massed ranks of security forces standing behind the front lines. These soldiers are armed with automatic rifles loaded with rubber bullets and tear-gas grenade launchers.

Students clashed with security forces Wednesday over a proposal by General Wiranto to recruit a 40,000-strong civilian militia to help maintain law and order on Jakarta's streets.

The proposal has also raised concerns among opposition politicians, human rights advocates and diplomats worried that the short training and recruitment period could result in the formation of an ill-disciplined and partisan force.

A retired armed forces chief, General Abdul Haris Nasution, has also added his voice to opponents of the militia force.

"It will only make things worse in the midst of the present social conflict," he said Wednesday.

Indonesia's total police force numbers about 200,000, too small to provide an adequate policing role in a nation of 220 million people, according to the government.

On Wednesday, a senior Indonesian cabinet minister called for a slowdown of democratic reforms, warning of widespread unrest unless the country's economic problems are solved first.

"I think we've gone too far and too fast in this area of openness," Culture and Education Minister Juwono Sudarsono said at a meeting of the Indonesia-

Australia Business Council. Management of Indonesia's democratic reform process should be undertaken peacefully and in stages because of the potential for unrest in an "environment of economic deprivation," he said.

"Things have been put into helter-skelter now," he said. "I think there has to be a sense of proportion in the degree of change we need to implement."

■ Appeal for Peace in East Timor

Bishop Carlos Ximenes Belo, the Nobel laureate, appealed Thursday to East Timorese to halt a series of street protests and show respect for Christmas and the Muslim fasting month of Ramadan, Agence France-Presse reported from Jakarta.

"I deeply disagree with acts of protest which coincide with the days on which Christians are preparing to celebrate the birth of Jesus Christ and ahead of the Muslim holy month of

Ramadan, a month of restraint," Bishop Belo was quoted as saying by Antara, the Indonesian state press agency.

Speaking in the East Timorese capital of Dili, Bishop Belo also urged East Timorese "to sit down together for a dialogue" instead of parading through the city in protest.

His call came as the East Timorese, who are overwhelmingly Catholic, were preparing to stage protests during a planned visit by Prime Minister Kofi Annan, for East Timor.

It echoed an appeal in Jakarta by Indonesian religious affairs minister, Malik Fajar, last week, in which he called on students to halt their almost daily protests to respect Ramadan.

Pro-independence East Timorese students have stepped up their protests, most of which call for a referendum on self-determination since the fall of President Suharto in May.

Mr. Suharto ordered the invasion of the former Portuguese colony in 1975. His annexation of the territory a year later after heavy fighting was not recognized by the United Nations.

Indonesian students in Jakarta, who are clamoring for Mr. Suharto to be brought to trial for abuse of power and corruption during his 32-year rule, have vowed to pursue their pro-reform demonstrations throughout the fasting month.

But some have said they were considering a softer approach out of respect for those observing Ramadan.

The fasting month, during which Muslims fast from sunrise to sunset, will start in Indonesia on Sunday.

Although East Timor is predominantly Catholic, Ramadan is observed by the Muslim population of the territory, which comprises Indonesian civil servants, troops, merchants and government-sponsored settlers.

U.S. General Defends Chats At Panmunjom

By Don Kirk
International Herald Tribune

PANMUNJOM — The U.S. general in charge of military negotiations with North Koreans in this truce village has defended informal gatherings with North Korean Army officers, saying that cutting off such contacts would close an important channel for easing tensions.

Major General Michael Hayden of the U.S. Air Force, deputy chief of staff for the United Nations Command, which includes U.S. and South Korean troops, cited the sessions as an element in a wide range of contacts with the North. They were held in a building astride the line between the two Koreas.

He was angered by a report last week that revealed informal but unauthorized gatherings of North Korean and American officers over whiskey and beer.

A former senior U.S. State Department official, in revealing the gatherings, had said the meetings yielded "substantial misinformation" from the North and probably had led to contacts between North and South Korean soldiers that are barred by South Korean law.

The official, Kenneth Quinones, also had said he believed the talks had been "shut down."

General Hayden said there had been no such order.

The general characterized talks at several different levels "tightly tied to the purposes of Panmunjom," the only crossing between South and North Korea and the site of the signing of the armistice that ended the Korean War in July 1953.

U.S. military commanders said they hoped to maintain such informal meetings despite an investigation into illegal contacts between South Koreans and North Koreans in the Joint Security Area, a 50-hectare (125-acre) buffer that straddles the line here. Both American and South Korean soldiers are assigned to a security command run by an American officer.

General Hayden drew a sharp distinction between the informal talks and formal talks that he occasionally conducts with a North Korean general in another small building in the same row on the North-South line. The talks between generals, suspended by the North in 1991, resumed in June after a North Korean submarine was snared in a fishing net off South Korea's east coast.

"My role in all of this," the general said, "is to pass" to the Korean People's Army "that we want to meet with them."

The talks, both formal and informal, appear to be another sign of a broadening dialogue in which South and North Korean diplomats have met in four-party talks in Geneva with American and Chinese representatives and U.S. and North Korean diplomats have met in New York and Washington. General Hayden is as a member of the U.S. delegation to the four-party talks, last held in October.

"At Geneva, they're talking about replacing the armistice with a peace treaty," said John Barry Kotch, a scholar who has written extensively on the negotiations. "At Panmunjom, they talk about maintaining the armistice. Both sets of talks are vital to keeping the peace."

China Levels Ancient Mosque to Assist Urban Redevelopment

Washington Post Service

BEIJING — An ancient mosque in the central Chinese city of Chengdu that local Muslims transformed into a symbol of China's endangered cultural heritage has been demolished to make way for commercial development, according to sources.

Muslims had tried for months to rally support for the Imperial City mosque, built in 1666. Scores of workers and police officers converged on the site in a swift, nighttime raid on Nov. 22 and destroyed the classical wooden temple,

sources said. "The masses have cried over this; it's such a shame," said a Chengdu believer.

He added that most Muslims had refused to enter a new mosque built by the city nearby as compensation, despite reports in the government-controlled media that Muslims are pleased with the move.

The old mosque was on valuable real estate abutting a vast new city square. Local officials hope the new square will help turn Chengdu, the capital of Sichuan Province, into an international

destination for tourists. Bashar Jamil, president of Humanity International, an aid group based in Washington that had been working to save the mosque, said the demolition would "hurt the feelings of 1 billion Muslims."

On Nov. 19, Humanity International faxed a letter to Li Zhaoxing, China's ambassador to the United States, offering to help turn the old mosque into a tourist site for Muslims.

Mr. Jamil sent letters to 12 affluent Islamic countries to raise funds for the mosque and several of them expressed

interest in the proposal, he said.

The mosque was demolished on Nov. 22, but on Nov. 30 Mr. Li responded with what Mr. Jamil thought was a positive letter.

In a reference to the new mosque built by Chengdu authorities, Mr. Li wrote, "It cannot be put into operation until the believers who disagree with the decision of relocation can be brought around."

"This gave us a lot of hope," Mr. Jamil said.

"We were working hard."

As Peacekeepers Bog Down, Sierra Leone Rebels Step Up Fight

By James Rupert
Washington Post Service

FREETOWN, Sierra Leone — Nine months after Nigerian troops forced a military junta out of power in Sierra Leone and restored the elected president, the civil war here has lapsed into a stalemate that continues to draw in neighboring countries while driving out immense numbers of refugees.

Units of former Sierra Leone Army troops, whose leaders seized power here in May 1997 and were ousted by Nigerian peacekeepers last March, are roaming the country's northern region.

And a guerrilla movement that was part of the short-lived junta, the Revolutionary United Front, controls a strategic eastern area, according to a spokesman for the Nigerian-led peace-

keeping force.

The conflict in Sierra Leone is the most violent of several that in recent years have destabilized a 1,600-kilometer (1,000-mile) stretch of the West African coast, including uprisings in Liberia, Guinea-Bissau and the Casamance region of Senegal.

Liberia, whose own seven-year civil war ended two years ago, appears significantly entangled in the conflict in Sierra Leone.

Foreign diplomats in the region and

senior officials in Sierra Leone say that Liberia's government is either allowing or actively helping Sierra Leonean rebels to find supplies and recruits in Liberia.

Liberia's president, Charles Taylor, has denied the accusation and has accused Sierra Leone, and the Nigerian troops here, of seeking to overthrow him.

In their attacks, the Sierra Leonean rebels have killed civilians or mutilated them and have burned and looted villages, sending refugees into Guinea and Liberia. This war and the one recently ended in Liberia have forced more than 700,000 people to flee their countries, the largest concentration of cross-border refugees in Africa, said Khassim Diagne, a spokesman in West Africa for the UN refugee agency.

African and Western analysts say the

peacekeeping force, if reinforced, might be able to push back the rebels and force them to negotiate seriously with the government. Two years ago, a larger peacekeeping force halted the civil war in Liberia and partly disarmed warring factions, relying on troops from eight West African states, plus millions of dollars in logistical support from the United States.

"A successful Ecomog offensive could open a brief window of opportunity for a settlement" of the war, said a Western analyst who asked not to be identified. But several observers said that any such offensive would require at least 5,000 more troops and a longer-term U.S. commitment to logistical support than its current offer, which is good for less than a year, the analyst said.

To bolster the Nigerian troops in Sierra Leone, the peacekeeping force and

Sierra Leone's president, Ahmad Tejan Kabbah, rely heavily on ill-disciplined militias, mainly from Mr. Kabbah's southern-based Mende tribe, to pursue the rebels into the bush. But the militiamen, called *kanujoors*, also have committed excesses, and their role complicates any effort to negotiate with the rebels, analysts said.

The Sierra Leonean government and diplomats elsewhere in the region say that Liberia appears to be helping the rebel Revolutionary United Front, which for years was allied with Mr. Taylor in Liberia when he was a militia leader.

The front has been recruiting fighters in refugee camps in western Liberia and Liberian fighters have been captured with the front's forces in Sierra Leone, said Lieutenant Colonel R. F. Okonkwo, the spokesman for the peacekeeping force.

Sierra Leone's presidential spokesman, Septimus Kaikai, said his country's government was "not aware" that there is necessarily a Liberian government policy of backing the front.

But Mr. Kaikai accused Mr. Taylor's administration of allowing the front to seek arms, supplies and recruits in Liberia for the war in Sierra Leone.

Foreign Minister Monie Captain of Liberia denied that his country has aided the front.

Tension between Sierra Leone and Liberia sharpened this fall when Mr. Kabbah's government sent a note to Mr. Taylor about a visit to Freetown by a Liberian opposition figure, saying there was evidence of a coup plot against Mr. Taylor.

Mr. Taylor accused Sierra Leone of complicity in the alleged plot.

A diplomat in Liberia's capital, Monrovia, said Mr. Taylor was "deeply suspicious of Sierra Leone because of its alignment with Ecomog," which for years frustrated Mr. Taylor's effort to seize power during Liberia's civil war.

In Freetown last month, the Reverend Jesse Jackson, a special envoy for Africa for the Clinton administration, publicly pressed Mr. Kabbah to open talks with the rebels.

Mr. Kabbah reached a peace accord with the rebel front's leader, Foday Sankoh, in 1996, but it quickly fell apart. Mr. Sankoh then backed the May 1997 coup against Mr. Kabbah and, although Mr. Sankoh was in detention in Nigeria, he was appointed the junta's deputy leader.

Mr. Sankoh is now in jail here, appealing a death sentence for his role in the coup. He is the only person who can wield real authority as a negotiator for the rebel front, and thus should be kept alive, Sierra Leonean and Western analysts said.

Netanyahu Faces Uphill Fight in Poll

Compiled by Our Staff From Dispatches

JERUSALEM — Prime Minister Benjamin Netanyahu of Israel got off to a shaky start Thursday ahead of an expected call for early elections as opinion polls showed him trailing his likeliest opponents.

Trouble was also already brewing in the Palestinian territories as Netanyahu aides said the expected election campaign would force a prolonged freeze on implementation of the troubled Wye River land-for-security deal.

Mr. Netanyahu announced late Wednesday that he would call early elections unless Parliament on Monday approved his hard-line conditions for pursuing the peace process with the Palestinians.

Israeli politicians from Mr. Netanyahu's fractious right-wing coalition and the leftist opposition said the government would almost certainly lose Monday's vote, although a last minute change of heart by key deputies could not be ruled out.

A senior Israeli official said an election would mean halting the U.S.-brokered land-for-security accord throughout the period of campaigning, a paralysis of four to six months that Palestinians called "unjustified."

A senior Israeli official predicted Likud and Labor would agree on a date for elections, most likely in April. The elections were not scheduled to take place until late 2000.

Mr. Netanyahu was already facing a parliamentary vote of no-confidence on Monday that most observers said he would lose because of a revolt by hard-line members of his coalition who oppose the U.S.-brokered peace accord he signed in October.

"At Geneva, they're talking about replacing the armistice with a peace treaty," said John Barry Kotch, a scholar who has written extensively on the negotiations. "At Panmunjom, they talk about maintaining the armistice. Both sets of talks are vital to keeping the peace."

Ehud Barak, leader of the main opposition Labor Party, fired the opening shots Thursday in a campaign to challenge Mr. Netanyahu. Negotiations on a final peace deal with the Palestinians and leftists who will cede all the occupied territories for the creation of a Palestinian state.

A survey by the Gallup Institute showed that were elections held Thursday, Mr. Netanyahu would lose against either Ehud Barak, head of the main opposition Labor Party, or the political newcomer Lieutenant General Amnon Lipkin-Shahak, a former army chief of staff.

Both Mr. Netanyahu and Mr. Barak could face challengers in their own camps in a race for the prime minister's job.

Foreign Minister Ariel Sharon and Defense Minister Yitzhak Mordechai have both been tipped as potential candidates from Likud. Roni Milo and Dan Meridor, both former Likud members, are also preparing a challenge.

Angolan Battle Reported

LISBON — Angolan government troops killed 63 UNITA rebels and some foreign mercenaries in fighting around Kuito in the central highlands on Wednesday, the Portuguese news agency Lusa reported.

In a dispatch from Luanda, it quoted military sources as saying the fighting took place in Cunji district. Two of the

Clinton & Iraq / Under Attack

Palette of World Reaction: Anger, Skepticism — and Tepid Support

By Barry James
International Herald Tribune

BRUSSELS — Reaction to the American and British attacks on Iraq ranged on Thursday from the predictable anger in parts of the world, to skepticism in France, and to support shaded with regret from Washington's European allies.

Some governments said the United Nations should have been given the opportunity to debate the report from the UN weapons inspection team, alleging Iraqi noncompliance with the world organization, which Washington stated was the reason for its action.

"This is a sad day for the United Nations and the world," said the UN secretary-general, Kofi Annan. Many governments expressed a similar sentiment, while nevertheless recognizing that President Saddam Hussein of Iraq had brought the attacks on himself.

Speaking for the European Union, Foreign Minister Wolfgang Schüssel, said that member nations "agreed that the blame for the strikes lay squarely with Saddam Hussein," but he added,

"All believed a political solution would have been preferable."

The European response ranged from supportive to skeptical.

"The German government, politically, supports the United States," said the German defense minister, Rudolf Scharping. The chancellor, Gerhard Schröder, said that "our solidarity with the United States and Britain" as allies "is beyond doubt."

But the Italian prime minister, Massimo D'Alema, said the bombardment "serves no purpose." His government said it would work for the end of the military intervention and to place the crisis back in the hands of the United Nations.

Prime Minister Wim Kok of the Netherlands said the intervention was dramatic, but added that the Americans and British were best placed to know that it was unavoidable.

The Portuguese defense minister, Jose Vega Simao, said he had "full confidence in the judgment of our British and American colleagues."

Discussion of the attacks dominated a meeting of NATO defense ministers in Brussels, where

the Spanish defense minister, Eduardo Serra, said a "big majority" of his colleagues understood the need for the strikes. But the NATO meeting again pointed to the Europeans' difficulty in reaching consensus about defense policy.

The action found Britain and France on different sides of an argument less than two weeks after they had agreed to cooperate more closely on defense.

While Britain expressed unreserved support for President Bill Clinton, the French cabinet took a more distant view and regretted that diplomacy had not been given a chance.

The French foreign minister, Hubert Vedrine, said that the government was "skeptical about the effectiveness of military strikes."

While noting that Mr. Saddam was to blame, he told the French Senate that he could not understand how the action would accomplish the aim of ensuring that Iraq would not again become a threat to the region.

"France can only regret the way in which the Security Council was deprived of the possibility of holding a normal debate" on the report by the

UN Special Commission for disarming Iraq, Mr. Vedrine said.

President Jacques Chirac said that responsibility for the crisis "lies clearly with the Iraqi president," but added that the crisis would not be solved by air strikes. "The role and the will of France is to do everything to facilitate an end to the crisis," he said.

The conservative *Figaro* newspaper — which like much of the French press said Mr. Clinton had ordered the strikes to distract from the impending House impeachment vote — commented that even the president "knows bombs are not the solution."

Two former UN employees who resigned over policy toward Iraq criticized the bombardment.

Scott Ritter, who resigned from the Special Commission in August, asserted in a newspaper interview that the UN report was a "setup" to give a pretext for the attacks.

He said the author, Richard Butler, the commission's chairman, had been told "to sharpen the language in his report to justify the bombing." The commission did not immediately reply to the accusation.

The former UN humanitarian coordinator for Iraq, Dennis Halliday, said that the bombardment went "way beyond" what the United Nations intended and warned that even if Iraq's entire civilian and military infrastructure was destroyed, the regime could still continue to manufacture "appalling weapons."

Mr. Halliday called the attacks a "very short-term solution with long-term consequences." While President Clinton said one reason for the attacks was to prevent Iraq from menacing its neighbors, most of them were cool or hostile to the military action.

China expressed its "deep shock" over the bombardment.

President Jiang Zemin was quoted as saying that the use of force would bring "severe consequences to the situation in the Gulf region and international relations." China also slammed the UN special commission for withdrawing its inspectors without consulting the Security Council.

Among America's allies in Asia, Japan, South Korea, Australia and New Zealand expressed outright support for the bombardment.

Blair Defends Clinton Timing As Courageous

By Warren Hoge
New York Times Service

LONDON — At No. 10 Downing Street, Prime Minister Tony Blair told associates on Wednesday that he was eager to take on any critics of his friend President Bill Clinton, and on Thursday he came out swinging in the House of Commons.

Pausing in his earnest report to members of Parliament about air raids over Iraq by British Tornado jets, Mr. Blair suddenly stood back from the dispatch box podium and let fly.

"I want to deal with one thing straight on," he said. "There are suggestions that the timing of military action is somehow linked to the internal affairs of the U.S. I refute this entirely."

"I have no doubt at all that action is fully justified now, and that is my strong personal view. I know that President Clinton reached the same conclusion."

There were hearty cheers around the hall, but he was not finished.

"Had he acted differently out of regard to internal matters of U.S. politics," Mr. Blair continued, "that would have been a dereliction of his duty as president. Instead, and not for the first time, he has shown the courage to do the right thing, and he has my full support."

The stirring expression met with no criticism in the Commons, where even Conservative members with little sympathy for Mr. Clinton have expressed puzzlement and dismay over the intrusion of American domestic politics into an international crisis.

Twenty-four hours earlier, the spokesman for Mr. Blair said that if anyone questioned the president's motivation for attacking Iraq on the basis of his "personal difficulties," the prime minister would produce a "robust" defense.

It is not the first time that Mr. Blair has stood, shoulder to shoulder with Mr. Clinton at a moment when his behavior has called into question his performance as president. Mr. Blair visited Washington last February when the evidence of Mr. Clinton's relationship with Monica Lewinsky was first emerging, and he marked the occasion with an effusive toast of personal testament at a White House dinner.

"I am delighted to call Bill Clinton a friend and I believe what's more important than anything else is that he does a good job as president," he said in an interview at the time. "And for that he deserves all our support, so it's as simple as that, really."

Russia Assails Unilateral Deed

By David Hoffman
Washington Post Service

MOSCOW — The bombing of Iraq set off a torrent of criticism of the United States on Thursday from Russian leaders who deplored the unilateral attack.

The Communists, the largest faction in the lower house of Parliament, the State Duma, vowed to put off once again a vote on the long-delayed START-2 strategic arms treaty.

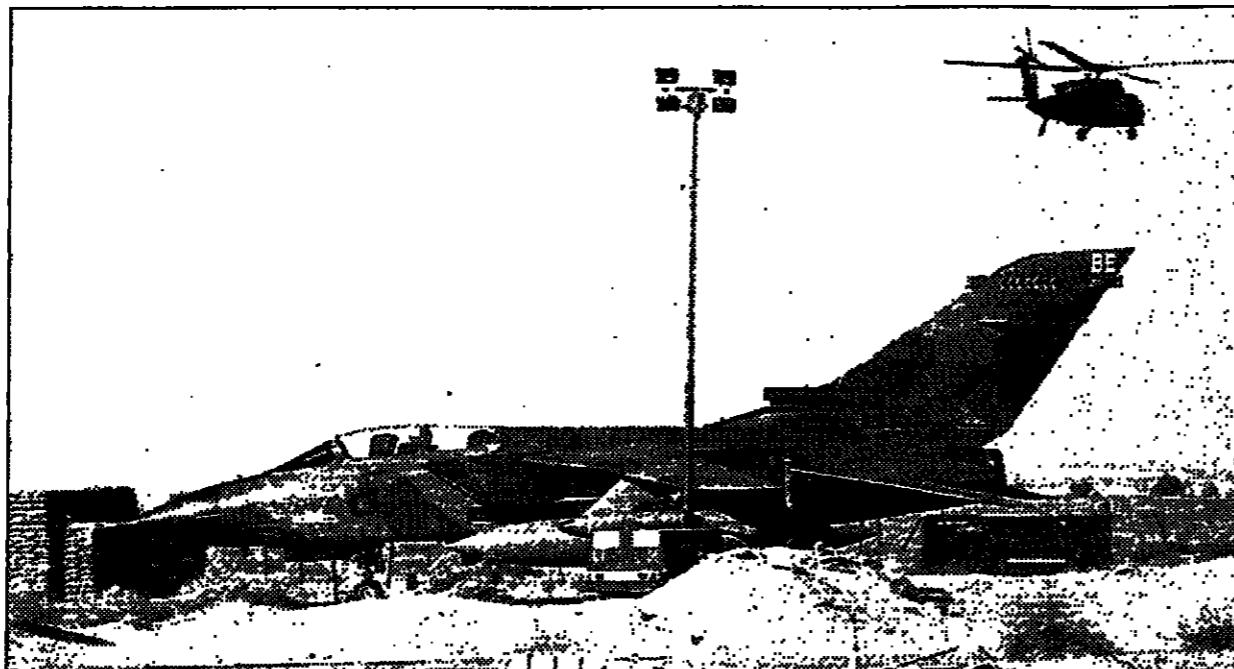
The criticism bore a familiar ring and reflected pique, expressed across the political spectrum, at the go-it-alone approach of the United States and Britain. Russia has suffered a painful erosion of its international prestige since the Soviet collapse, and the latest action against its historic ally in Baghdad once again underscored Moscow's weakness.

President Boris Yeltsin said in a written statement that the bombing evoked "a feeling of indignation and profound alarm," that it "grossly violated" the United Nations charter, and that it "caused serious damage" to the previous work of the UN weapons inspectors.

Mr. Yeltsin was later shown on television awkwardly standing around a map of Iraq on a table in his Kremlin office, and saying the attack was "simply unacceptable for us."

The biggest fallout may be yet another postponement of a vote on the START-2 treaty, which was signed in 1993 but has yet to be ratified by Russia. Prime Minister Yevgeni Primakov has been lobbying the Duma vigorously for its passage on grounds that it would benefit Russia to cut the large U.S. advantage in strategic weapons. For the first time in years, a vote seemed imminent in recent weeks, and some leading Communists said they would support it.

But after the bombing, others called for a delay. Sergei Prikhodko, a deputy head of the Kremlin administration, said that "one may well give up" on ratification.



An American helicopter and a British Tornado bomber at the Ali Salem air base in Kuwait on Thursday.

IRAQ: 'Right Thing to Do,' Clinton Calls Decision as 2d Wave Hits

Continued from Page 1

He also said several industrial targets had been hit, including a plant that makes brake fluid for cars, one that produces batteries, and a training center for mechanics. He said all were under the UN monitoring regime, and all had passed earlier inspections.

The news of the air strikes added a stunning dimension to the impeachment drama already gripping Washington, and brought furious criticism of Mr. Clinton from some congressional Republicans.

In a striking departure from the rule that politics stops at the water's edge, the Senate majority leader, Trent Lott of Mississippi, said shortly before the attacks were launched that he could not support them. "Both the timing and the policy are open to question," he said. On Thursday, he expressed his support for U.S. troops in the Gulf.

Americans strongly supported the military action, according to polls by CBS and ABC. In the CBS poll, about 80 percent said they favored the strike.

According to the ABC survey, 62 percent said attacking Iraq was the right thing to do.

The U.S. and British strikes were expected to continue at least into the weekend.

Mrs. Albright said that American officials were "sensitive to the beginnings of Ramadan," the Muslim holy month, which starts this weekend, but that the campaign would "continue to its completion."

Mr. Clinton and Mr. Blair said President Saddam Hussein's failure to cooperate with UN inspectors had made the confrontation inevitable. Mr. Clinton said the attacks were timed to "have maximum impact with minimum risk to our own people."

Some legislators said the attacks could succeed only if they forced Mr. Saddam from power. But Mr. Cohen denied that Mr. Saddam had been personally targeted.

Mr. Cohen said there had been no American casualties. Nor were any British casualties reported.

The surprise attacks on Iraqi targets evidently destroyed large numbers of surface-to-air missiles before they could

be moved, reducing the danger to allied pilots.

Mr. Cohen, who spoke even as the second wave of attacks was under way, said that satellite and U-2 spy plane photographs showed that the first wave of strikes had inflicted "severe" damage.

The targets included some of Mr. Saddam's 80 or so presidential palaces in different parts of the country.

General Henry Shelton, chairman of the Joint Chiefs of Staff, said 50 targets were hit in the first wave of attacks. He showed reporters an aerial photo in which a building he said was the military intelligence headquarters had been reduced to rubble.

Some critics of the attack said it was unclear what the U.S.-British strategy would be once the smoke had cleared.

Mr. Blair said that if Mr. Saddam "will not see reason," then Britain and the United States would assure that he could not rebuild his military capability.

U.S. Navy ships launched more than



FOES: Clinton's Reservoir of Credibility Runs Dry as Republicans Question Bombing

Continued from Page 1

previously uncommitted Republican after another announced plans to vote against the president. With Mr. Clinton's strategy of courting the moderates in ruin, gloom enveloped the White House, and a top Clinton strategist said, "It's time to think about the Senate and the trial." A trial would follow a House vote to impeach the president.

Representative John Porter, Republican of Illinois, who had announced plans to vote against impeachment, switched sides, and he was joined on the anti-Clinton list by Representative Jim Leach, Republican of Iowa. Exaggerating only slightly, a White House aide said, "If we can't get Leach, we can't get anybody." But even as he was speaking, the Washington political community was astonished. Then, not long after the first missile strikes, Lawrence Eagleburger, a career foreign service officer and a former Republican secretary of state, said on CNN that he understood why attacks had to be made eventually but thought the timing "smells to high heaven."

Mr. Lott all but said he did not believe the administration officials who briefed him. Despite their assurances that im-

peachment had nothing to do with the decision to attack, he declared in a statement. "Both the timing and the policy are subject to question."

Mr. Solomon said, "Never underestimate a desperate president."

It was not clear how long the attacks on Iraq would continue. If the bombing lasts for only three or four days, Mr. Clinton will be accused of making an empty gesture; during the Gulf War, weeks of attacks were required to make limited gains. If it lasts indefinitely, Mr. Clinton will be accused of trying to delay the impeachment vote as long as he can.

Buying time might be the president's best hope, if only a very slim one. Pro-impeachment sentiment has reached a peak this week, but it could conceivably dissipate if the roll-call is significantly postponed.

Mr. Clinton is not the first president since the end of World War II to have his foreign policy motives questioned. Ronald Reagan was accused by a few members of Congress and a few editorial writers of staging the invasion of Grenada to mute criticism of his failure to protect Marines who were killed in Lebanon.

But since Harry Truman and the Korean War, a president has been subjected to quite the same level of ques-

tioning of motive that Mr. Clinton was subjected to Wednesday. The fact that Mr. Lott made his statement public moments before the attack increased the sense that he was underestimating the president.

Some Republicans did, in fact, rally to

Representative Jim Kolbe of Arizona was in the midst of a press conference in Tucson lambasting Mr. Clinton for "impeachable offenses" when handed a note about the air raids, and he changed course immediately, voicing support for the attack.

The president tried his best to allay his critics, quoting American military planners as saying that waiting would give Mr. Saddam time to conceal and protect elements of his suspected nuclear and chemical arsenals. But he did not address an article in Wednesday's Washington Post that suggested that the administration had orchestrated the timing and content of the report by Richard Butler, the chief United Nations inspector, that preceded the attacks.

The president did all he could to make Wednesday night's television appearance look like business as usual — a calm, serious report about a threat to the national interest, with only a quick, glancing reference to his own troubles.

At a news conference Thursday night, Foreign Minister Mohammed Saad Eddin echoed the sentiments of the wounded man, contending that the U.S. response was far out of proportion to the response that had developed between Iraq and the weapons inspection team.

In the commission's report to the Security Council, the chief arms inspector, Richard Butler, concluded that by refusing access to buildings like the headquarters of the ruling Arab Ba'th Socialist Party, Iraq was keeping the commission from finishing the job it was delegated at the end of the Gulf War, to oversee the dismantling of Iraq's chemical, nuclear and biological weapons programs.

At a news conference Thursday night, Foreign Minister Mohammed Saad Eddin echoed the sentiments of the wounded man, contending that the U.S. response was far out of proportion to the response that had developed between Iraq and the weapons inspection team.

THE FREQUENT TRAVELER

Taking the Long Thin Airlines

By Roger Collis
International Herald Tribune

TWO events this month — the demise of Swiss World Airways, a fledgling carrier based in Geneva, and a new Swissair service from Basel to New York-Newark — show that it is very difficult for start-up airlines to succeed and that there is demand for direct flights on "thin" trans-Atlantic point-to-point services — what I call "regional long-haul" routes.

Travelers look for fast connections through user-friendly airports, avoiding megahubs like London-Heathrow, Paris-Charles de Gaulle, Frankfurt, Amsterdam and Zurich, unless that is where they are starting out or want to go.

Swiss World Airways started flying on Sept. 10 with a daily flight operated with a leased Boeing 767-200 ER — a much-needed service since Swissair virtually orphaned the region 18 months ago by moving most of its long-haul services from Geneva to Zurich, keeping just one daily flight to JFK in New York, against which SWA competed directly with cheaper, more flexible fares in first, business class and economy.

SWA stopped flying two weeks ago with alleged debts of 3 million Swiss francs (\$2.25 million) — having used up half its capital before it took to the air. It

might have been wiser to have started with Geneva-Montréal or Geneva-Washington rather than compete head-on with Swissair to New York.

SWA had hoped to follow the example of Belgium's City Bird, which took off in March 1997 with low-cost flights between Brussels and Miami, Orlando, Los Angeles, San Francisco, Las Vegas and Mexico City. You simply call the airline to buy a one-way ticket with your credit card and show up at the airport — for 40 to 60 percent less than major carriers. City Bird struck a deal with Sabena whereby City Bird passengers can buy cheap one-way onward connections through Brussels to 48 destinations in Europe. SWA relied on point-to-point traffic. City Bird reported its first profit for the third quarter of 1998.

Meanwhile, on Dec. 17, Swissair started a six-times-a-week service between EuroAirport — Basel-Mulhouse-Freiburg — and Newark as a code-share with Delta Air Lines and Crossair, Swissair's regional subsidiary, using an Airbus A310 with 42 business-class and 163 economy seats.

Crossair is developing an extensive "hub and spoke" network through EuroAirport to around 50 European destinations, which enables travelers in, say, Nuremberg, Bilbao, Dresden or

Toulouse to connect painlessly to New York — avoiding the megahubs, not only for short flights in Europe, but also for long-haul flights.

EuroAirport to Newark is the first of a dozen "long thin" services that Crossair plans to operate next year from EuroAirport — to Buenos Aires, Atlanta, Mexico City and Charlotte, North Carolina.

Skymark Airlines, the first of a new breed of low-cost Asian carriers, is set to cut fares on major routes in Japan. Skymark, which models its operations on that of the U.S. low-cost pioneer, Southwest Airlines, has been granted a license to begin services between Tokyo and Fukuoka. It will open the route with Boeing 767s with a fare half that of its competitors — Japan Airlines, All Nippon Airlines and Japan Air Systems. The airline is also seeking permission to fly to Hokkaido and Okinawa.

Two other low-cost carriers are applying for licenses and more are expected to follow. Success depends on being able to secure slots at peak times. Otherwise, travelers may choose convenience over cost.

Roger Collis can be reached by fax at (33-4) 93-74-77-92.

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| BEIRUT COMMODORE | Beirut | Fifty percent discount on rooms and suites. Until Feb. 28. (961-1) 350-400. |
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ARTS GUIDE

Some museums may be closed on holidays. We suggest you call before going.

BRITAIN

Tate Gallery, tel. (171) 837-2000, open daily. Continuing To Jan. 17: "Flower Still-Lifes From the Netherlands and Belgium, 1670-1940." Also includes works by Rembrandt, Vermeer, Bosch, Brueghel, Matisse, Chagall, Picasso, Magritte, Escher, etc.

www.tate.org.uk
Victoria and Albert Museum, tel. (171) 938-8349, open daily, To Aug. 31. "Silver and Syrup: Highlights from the V&A's Collection." Photographs by Avedon, Fenton, Shiel, Capa and younger talents from Britain. Europe and United States.
www.vam.ac.uk

CANADA

National Gallery of Canada, tel. (613) 990-1985, open daily. Continuing To Jan. 3: "Songs on Stile." James McNeill Whistler and the Art of Lithography. Approximately 120 lithographs, drawings, prints, watercolors, drawings and paintings by the British painter (1834-1903).
www.ngc.ca

FRANCE

Paris
Jeu de Paume, tel. 01-47-03-12-50, closed Mondays. To Jan. 31: "Jean-Pierre Raynaud." Eighty works by the French artist (born 1939) best known for the monumental gilded figure pot that was at the Forbidden City in Beijing before it was installed near the Centre Georges Pompidou in Paris.
Toit de la Grande Arche, tel. 01-47-07-27-57. Continuing To Jan. 31: "L'Art de la Russie dans ses Icônes." On loan from the Kolomenskoye Museum in Moscow, a selection of 16th- and 17th-century icons.

GERMANY

FRANKFURT
Museum für Kunsthandwerk, tel. 061-212-34057, closed Mondays. To Feb. 28: "The Southern Neighbors: Early Ceramics and Bronzes from Vietnam." More than 60 early Vietnamese ceramics and bronzes from German, American and British collections.

JAPAN

OSAKA
Museum of Oriental Ceramics, tel. 06-223-0055, closed Mondays. To Feb. 21: "Masterpieces of Chinese Ceramics from the Percival David Collection, London." After being shown at the Osaka museum, the 80 pieces of ceramics from the collection of the Foundation will also be exhibited in Fukushima and Yamaguchi as a celebration of Anglo-Japanese relations.
WAKAYAMA
Wakayama Museum of Modern Art, tel. (0734) 368-690, closed Mondays and Dec. 28 to Jan. 4. To

Jan. 17: "100 et 'Espri' Works by 54 contemporary French artists.

NETHERLANDS

ROTTERDAM
Kunsthal, tel. 010-44-06-300, open Mondays To Feb. 28: "Flower Still-Lifes From the Netherlands and Belgium, 1670-1940." Also includes works by Rembrandt, Vermeer, Bosch, Brueghel, Matisse, Chagall, Picasso, Magritte, Escher, etc.

www.kunsthal.nl
Museum of Modern Art, tel. (12) 708-9400, closed Wednesdays. Continuing To Feb. 2: "Jackson Pollock: A Celebration of the American artist's drip technique."
www.moma.org

WASHINGON
National Gallery of Art, tel. (202) 737-4215, open daily. Continuing To Feb. 15: "Edo: Art from Japan, 1615-1868." From this period of peace under the Tokugawa shoguns, scrolls, screens, ceramics, sculptures and lacquerware.
www.nga.gov

CLOSING SOON

AMERICAS
Dec. 27: "Monet in the 20th Century" Museum of Fine Arts, Boston.

ASIA
Dec. 20: "Andre Maurois and 12 French Masters," Isedatu Museum of Art, Tokyo.

Dec. 20: "Roman Art in Germany," Prefectural Museum of Art, Shizuoka, Japan.

Dec. 23: "Georges Rouault," Seiji Togo Yasuda Kasai Memorial Museum of Art, Tokyo.

Dec. 31: "Auspicious Dreams: Decorative Paintings of Korea," Ho-Am Art Museum, Yongin, South Korea.

Europe
Dec. 20: "Masterpieces of Imperial Chinese Ceramics from the Aoi Bak Ling Collection," Royal Academy of Arts, London.

Compiled by Elisabeth Hopkins

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INTERNATIONAL Herald Tribune

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War and Impeachment

A Justified Attack

After hearing for months about Bill Clinton's ability to compartmentalize issues, the country and the world now have to match that difficult trick. By attacking Iraq as House members gathered in the capital to consider his impeachment, Mr. Clinton could not avoid the impression that he is blurring the boundaries that must separate America's foreign conduct from its domestic political turbulence. But that accusation would in large part be unfair. The confrontation with Iraq has played out on its own timetable and happened to reach a decisive point on the eve of the House impeachment debate.

No one but Mr. Clinton knows all the factors that went into his decision to order air strikes, and historians may long speculate whether the threat of impeachment propelled him to exercise his powers as commander in chief. Trent Lott, the Senate majority leader, and a handful of other Republicans immediately questioned Mr. Clinton's motives, a startling departure from the unity that usually accompanies American military action. That is not the only political custom suspended in Washington this strange and eventful week.

But viewed outside the prism of impeachment, the decision to launch cruise missiles against Iraq was fully justified. Just weeks after Saddam Hussein had yet again promised to give international inspectors unimpeded access, Iraq barred them from sites suspected of housing chemical and biological arms. Richard Butler, the chief UN inspector, reported Tuesday that effective inspections were impossible.

Given the prospect that Baghdad

would rebuild its arsenal of toxic weapons while UN inspectors were handcuffed, Mr. Clinton and Prime Minister Tony Blair of Britain had no choice but to use military force to destroy portions of Iraq's arms industry. With the Islamic holy month of Ramadan beginning this weekend, military action had to start or be postponed until late January.

Cruise missiles and the bombing runs that will follow cannot eliminate the threat, but they can severely reduce Iraq's ability to make new weapons or use its old ones. It is essential for American and British forces to limit civilian casualties. Washington and London must also be mindful of the uneven international support for the attack. There are limits on how long and how hard Iraq can be hit before foreign support diminishes.

In the likely event that Iraq refuses to allow inspections to resume after this attack, the Security Council must develop new ways to restrain Baghdad. Mr. Clinton outlined a strategy of containment, promising to use force again if necessary and to maintain economic sanctions on Iraq. These measures may not be popular among all members of the Security Council, but less forceful policies will not work as long as Saddam remains in power.

Mr. Clinton made only glancing reference to the gathering storm of impeachment in his address on Wednesday evening, but the convergence of events clearly left Republicans disgruntled and distrustful. The attack on Iraq may delay but will not end the debate over Mr. Clinton's fate or change any votes already committed to impeachment. Congress needs to resolve that constitutional crisis as soon as possible.

—THE NEW YORK TIMES

Separate Crises

In blocking United Nations arms inspectors from doing their jobs, Saddam Hussein gave the United States no choice but to respond militarily. That the Iraq crisis has peaked just as the United States faces its own political crisis cannot but raise questions here and abroad about America's motives, and those of President Bill Clinton. But the coincidence of events cannot be allowed to distract attention from the need to deal with the long-term threat posed by Saddam and his defiance of international law.

Saddam's army invaded and occupied Kuwait. The United States assembled an international coalition that expelled his troops from that sovereign nation. In defeat, and as a condition of cease-fire, Saddam promised to destroy, under international inspection, his biological, chemical and nuclear weapons components and the missiles that could deliver such weapons. For more than seven years he has done everything he could to violate that promise — to subvert UN inspections and preserve his poisonous weapons. It was a report this week from the UN inspectors detailing Saddam's continuing defiance that determined the timing of America's response in firm partnership with its British allies. To delay now would be to give Saddam time to disperse his illicit weapons and would, by bumping into the observance of Ramadan, give possible offense to Muslims.

—THE WASHINGTON POST

Dulling the Edge of Truth

At an October conference called "The Claims of Memory," the novelist Cynthia Ozick is reported to have said, "The aims of the imagination are not the aims of history." These words come to mind in the case of the Nobel peace laureate Rigoberta Menchu. A new book by the anthropologist David Stoll now refutes a number of claims in Miss Menchu's widely celebrated memoir, "I, Rigoberta Menchu," published in 1983. These include her assertions that the adversaries in her family's land disputes were wealthy landowners of European extraction, that she witnessed mass executions by burning, and that, as a young woman, she worked as a laborer and political organizer.

The question this case raises is how best to serve the aims of history. For the most part, the crimes Miss Menchu reported, including widespread political murder and torture, were real crimes, even if she learned of some of them from others. The struggle to which Miss Menchu has devoted herself — asserting the rights of indig-

enous peoples — is a struggle in which most of her immediate family died and for which she herself has suffered. The criminal oppression of indigenous peoples in Guatemala cannot be disputed nor can the impact of her example. Why, then, the sinking feeling upon learning that some of the essential facts in "I, Rigoberta Menchu" are not true?

In a war between unequal, especially when the more powerful side is rampantly duplicitous, we expect that truth will be on the side of the innocent. Miss Menchu has clearly chosen what might generously be called "representative" truth, where the sufferings of a people are conflated in the tale of an individual life. Her achievement has been diminished because she altered the truth, perhaps merely in order to make her story more emblematic. That sad fact mitigates none of the crimes committed against Guatemalan Indians. Testimony is the people's history, but it is only as powerful as it is true.

—THE NEW YORK TIMES

For the EU, the Focus Now Must Be on Russia

By Martti Ahtisaari
The writer is president of Finland.

Helsinki — As the leaders of the European Union met in Vienna last weekend, the crisis in Russia loomed large over the summit meeting. Developments in that country have shown that there are no quick solutions. Unhealthy structures cannot sustain a market economy, and democracy requires a civil society in which to grow on. Laying the foundations will take time, and sustainable solutions will need the support of the Duma and the people.

In its natural resources and its long tradition of research and education, Russia has the basic elements necessary for a takeoff. However, democracy and a genuine market economy can thrive only under the rule of law. Rampant crime is a clear and present danger, as the assassination of the reformer Galina Starovoitova shows.

It is clear that Russia will be able to extricate itself from its present crisis only through interaction and cooperation with the rest of the world, especially its European neighbors. In order to get on top of its difficult situation, Russia has to come to grips not only with its economy, but also with its geography and its history.

After Finland and Sweden joined the

European Union, Russia became its next-door neighbor. The EU acquired a Northern dimension. Both the Union and Russia will gain from keeping the doors open. A natural interdependence exists in Europe. Take energy: In the coming decades, the European Union will be more and more dependent on imported energy, especially natural gas. In the north, Russia has huge gas deposits, for which the only feasible market is the European Union.

With its economy more and more dependent on foreign trade, Russia needs export harbors on the Baltic. Transit traffic will generate income for states on the coast of the sea and bring stability to the entire region.

Borders do not stop pollution, nor do they bar epidemics, drugs and crime. Cooperation is the key to success in fighting them, as experience has shown on the 1,300-kilometer Finnish-Russian border, now an EU-Russian frontier as well.

All these elements of interdependence are included in the European Commission report "A Northern Di-

dimension for European Union Policies," which was presented to the EU meeting in Vienna.

Even shorn of its Soviet empire, Russia remains the largest country on Earth. The Soviet Union — nominally a federal state — tried, and failed, to keep its huge territory in the iron grip of a central command. By contrast, Russia is now on a course toward true federalism.

Russia's constituent parts — republics and regions — are called "subjects" of the federation, and the record shows that they have come a long way from their Soviet-era status as mere objects of central power.

The regions' governors are now elected directly by popular vote and are responsible to the electorate for their actions. Accordingly, the regions wield more real power than they have ever done in the past. The elements for building a functioning federation with genuine devolution of power are now in place. Turning what was once a monolithic unitary state into a federal one is a historic achievement.

Estonia, Latvia and Lithuania will join the European Union in the coming decade. They were occupied in World War II and lost their independence for fifty years. The role of the new Russia was crucial in the restoration of their sovereignty. Now it must be possible to move on toward well-functioning relations in the European spirit.

International Herald Tribune

Russians Struggle to Come to Grips With the Communist Past

By Fred Hiatt

WASHINGTON — On a chilly August evening in 1991, a Moscow crowd cheered the removal of a statue of "iron Felix" Dzerzhinsky, founder of the Soviet secret police, from its pedestal before KGB headquarters.

As I look through news archives now, I find this event described, in subsequent months and years, as the work of "angry crowds" or even an "angry mob." But I was in Dzerzhinsky Square (as the plaza then was known) that August night, when the Soviet Union was crumbling, and I know there was no mob. As a municipal crane methodically lifted the heavy statue and swung it toward a waiting truck, onlookers remained orderly and good-natured, a bit awed at their presence in history. A folksinger sang sad Russian ballads over a scratchy loudspeaker. People smoked and shivered and chatted quietly and, at the climactic moment, chanted patriotically: "Russia! Russia!"

It is a small example of how history can get written and then rewritten, and I came across it only because Russia is still rewriting its history in a much more momentous way. Earlier this month,

the Duma, or lower house of Parliament, voted to return Iron Felix to the perch in the square that no longer bears his name.

The Duma vote, seven years after a seemingly definitive repudiation of Bolshevik terror, reflects how confused and divided Russians remain about their past. That in turn helps explain why they remain confused and divided about how to shape their future.

Think what our emotions would be if Germans continued to worship Hitler, installing his mummified corpse in a mausoleum by the Reichstag.

Unimaginable, of course. Yet that is about where Russians are in dealing with their history. Stalin is no longer in Red Square, but Lenin remains on reverential display, a bit too yellow but neatly coiffed and costumed. Most Russians would like to inter him in a cemetery — a proper Christian burial would be a fitting punishment — but too many others still want him in his humidity-controlled glass case.

How can this be? Lenin created the system in which — as one elderly man

told me the night Dzerzhinsky came down — "there was practically not a family in this entire country in which someone didn't suffer — either in jail, or in the labor camps, or shot." The man's uncle had spent 15 years in the gulag because he had owned a few shares of stock in the 1920s.

For decades, Russians were taught that Lenin was the good-hearted, all-loving father of the nation; that Dzerzhinsky's secret police courageously defended peace and order; that a boy who ratted on his father to the KGB was a model of moral heroism. Now they are told otherwise. But whom to believe — especially when the new historians also seem to have ushered in a period of danger, uncertainty and poverty in many people's lives?

"We are all guilty," said Alexander Yakovlev, an architect of Mikhail Gorbachev's *glasnost*. Mr. Yakovlev has headed for the past decade a commission intended to "rehabilitate" victims of Soviet repression — to restore the reputations of millions upon millions unjustly sentenced to their deaths in Siberia, to award pensions to those who miraculously survived.

Punishing wrongdoers is not on his agenda, but even so his commission's seemingly innocuous work is often stymied. Mr. Yakovlev said: To this day, he said, he cannot get key documents of Stalin's crimes. Children born and raised in the gulag qualify for no compensation. Russians are so uninterested, so unwilling to face their past, that Mr. Yakovlev appealed to an audience in Washington, at the Holocaust Memorial auditorium, for help in publishing documents he has uncovered.

All this matters. If Russians are not sure that it was wrong to round up peasants who owned more than one cow, how can they agree on repatriating land? If Dzerzhinsky is a hero, what chance can there be for civil liberty and the rule of law?

That same autumnal evening in 1991, another man, a 56-year-old archery coach, told me he had faith, for the first time, that Russia would be free. But he also warned that the process would take time. "After 70 years, you can't be free all at once," he said.

Dzerzhinsky is not back up yet; opposition to his return is strong. But the coach's warning might have been more right than even he expected.

The Washington Post

Clinton's Motives Are Pure — as Are Congress's

By William Safire

WILL CLINTON at long last had a change of heart about Saddam Hussein? Or is his sudden hawkishness — on the eve of Impeachment Day — a trick to buy time, delay the vote on spurious national security grounds and play for a break in the House?

A mark of the degree of distrust in the president's word, developed over years of listening to evasions, half-truths and outright lies, is the fury of frustrated Republicans on Capitol Hill.

On Wednesday night, they heard him invoke "the fear of force" against the dictator who for years has had no reason to

fear Clinton force. "The cost of action," he intoned, "must be weighed against the price of inaction." So true — just as it was true in the spring, when he chose inaction with the UN's Kofi Annan, and truly recent when he flinched at the last minute and gave Saddam a cheap victory by recalling an air strike.

But then we have to ask ourselves: Would any U.S. president, even in political extremis, stoop to risking lives to cling to power? Holding summit meetings to affect public opinion is par for the course, but launching hundreds of cruise

missiles will cost lives and invite retaliation. No matter what I think of Mr. Clinton's motives and methods, I cannot bring myself to think that.

Assuming only patriotic motives, then, what do we make of "Desert Fox," the first American military operation named after a Nazi-era German general? What is its mission, and how long will it last?

One clue comes from the reason given for the attack at impeachment time. The president tells us that it would have been a mistake to "initiate" it during Ramadan, Islam's holy month.

Barring a lucky hit, a few days — or even weeks — of bombs will not eliminate the Iraqi dictator's threat to every civilized country. Air power may temporarily "degrade" but not knock out his capacity to produce germ and poison-gas weapons, nor will bombs destroy the well-dispersed Republican Guard. Even as we annoy him from above, he will produce a weapon of mass destruction somewhere down below. And then he will tell us to stop or else.

Only the credible threat of another invasion of Iraq is likely to stimulate a successful coup. No such unpopular Gulf buildup will be in the works during the Clinton administration. That can happen to the next president.

Jimmy Carter in 1976 for the Democratic presidential nomination. Mr. Udall kept coming in second in the primaries. Reflecting on the cost of his campaign, Mr. Udall quoted Will Rogers: "Politics has got so expensive that it takes a lot of money even to get beat with."

I've always thought it a great loss that Mr. Udall never reached the White House. His decency, combined with his practical Western progressivism, might have changed the course of our politics.

How many conversations have you heard about how to explain the present crisis to our children? One thing I'd like to tell my kids about a funny, decent and principled man named Mo Udall who made people proud to be engaged in politics.

At the beginning of his book, Mr. Udall cited John F. Kennedy: "There are three things that are real: God, human folly and laughter. The first two are beyond comprehension. So we must do what we can with the third." Mr. Udall used laughter to combat human folly and may God bless him for it.

Finally, a shivering Mr. Udall turned to the young volunteer. "The issue," Mr. Udall declared, "is pneumonia."

Precisely because Mr. Udall was genuinely funny, it was easy to forget the seriousness of his record. He was a scrappy reformer, a foe of the congress-

ional seniority system, an early advocate of fixing the campaign finance mess, and a civil service reformer before anyone heard the words "reinventing government." The Alaska Lands Act and the Wilderness Act are among his legacies.

He lost one of his eyes when he was 6 years old, in part because his parents could not afford decent medical care. Instead of turning inward in bitterness, he turned outward in commitment and fought all his life to guarantee health insurance to all Americans.

He came close to defeating Jimmy Carter in 1976 for the Democratic presidential nomination. Mr. Udall kept coming in second in the primaries. Reflecting on the cost of his campaign, Mr. Udall quoted Will Rogers: "Politics has got so expensive that it takes a lot of money even to get beat with."

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PARIS — [The Herald says in an Editorial:] The question of the right of the mother of a child as to its education was decided in the old way in a divorce case in England. It is interesting in

view of the judge's adhesion to the historical dogma that the unfaithful wife is more guilty than the unfaithful husband. Is a mother unfitted to bring her children up by the sole fact that she has broken her marriage vow? This is one question of which the active feminists will seek final solution in the near future.

1948: Christian Trees

TOKYO — The Japanese government has ordered Christmas trees taken down because they violate the law that forbids the state to encourage any particular religion. The Dai Nippon Buddhist Association complained that the trees at

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THURINGIA



ERFURT, BUSINESS HUB OF THURINGIA

The capital is a prime site for business events.

Headquartered in Jena, Jenoptik recently announced that it would hold its 1999 annual general meeting in Erfurt, at the city's new fairgrounds. Jenoptik's decision was gratifying to Rüdiger Schleusner, head of marketing and event management at Messe Erfurt AG, the city's trade fair authority, but it was not a surprise.

"Erfurt is definitely the state's business hub," says Mr. Schleusner. "Companies gravitate to the centers of political and economic power in the state, and that's what Erfurt, thanks to the ministries and other official bodies based in the city, definitely is."

He adds, "I wasn't surprised because our fairgrounds, although only a year old, have already been selected by a large number of out-of-town companies — including the Eisenach-based Opel — for their congresses, meetings and product shows."

Nor is Jenoptik the only Thuringian high-tech power using our facilities. Our trade fairs — which include the new MTI Microelectronics and Optoelectronics — are heavily attended by Erfurt's microelectronics innovators and the state's other new-look companies."

These innovators form a key element of the city's new business community. Their ranks are led by MAZET, founded in 1992 and today one of Europe's leading designers and developers of application-specific microelectronics components and subsystems for industrial automation and communications systems. Other leading high-tech companies in the city include Thesys and X-FAB.

To promote the growth of its clusters, Erfurt set up a Center for Intelligent Sensors and re-founded its university. Soon to follow is a major "innovation park."

While the high-tech innovators grab attention, they have not accounted for the bulk of Erfurt's development. That's come from the city's service sector, which doubled in size between 1992 and 1997. Showing particularly fast growth has been the city's financial sector, now comprised of 170 banks and insurance companies. •



Old and new: The Fischmarkt in Erfurt (top left) and Jenoptik headquarters (above) in Jena.

INDUSTRY LEADS THE WAY TO GROWTH

Continued from page 12

manage commercially exploitable real estate located in the state's communities, among other a wide range of other activities.

The properties' previous owners were everyone from the Soviet Army to East Germany's mammoth industrial trusts, or Kombinates. Many of the properties are crazy-quilts of apartment buildings, industrial facilities, even relatively unspoiled bits of nature. As a result, site reclamation and commercialization is very complex and time-consuming.

In 1995, LEG Thüringen also assumed the responsibility of reaching out to the world's investors. Today, LEG Thüringen plays a wide variety of roles — including

property owner and developer, technical consultant and general contractor — in successfully fulfilling its assignment. The corporation is currently carrying out some 250 projects.

If the above responsibilities weren't enough, the corporation was recently given another far-reaching responsibility. LEG Thüringen acquired much of the state's holdings of housing, along with a wide variety of other buildings. The corporation is now the largest landlord in the state.

Undaunted by the range of responsibilities, LEG Thüringen has set itself ambitious goals. They include helping to create 20,000 new jobs, 1,000 affordable apartments and 7,500 construction sites by 2000. •

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Leisure

Macau Struggles to Keep Its Identity

By Katherine Tanko

MACAU — It is fado night at the Lusitano. On a tiny spotlighted stage, a Portuguese singer dressed in black strums his mandolin and croons soulful melodies to a spell-bound audience. The songs are the classic stuff of fado, tales of love, loss and longing themes that are all too familiar to the roomful of moist-eyed Macanese.

Especially now. With Macau set to return to Chinese rule in December 1999, the need to safeguard the enclave's distinct cultural identity has never been more urgent. All over Macau, construction sites hum as new museums are built and old landmarks and attractions are revamped. There is concern that tiny Macau, with its 16 square kilometers (6 square miles) of land and a population of 502,000, will be overwhelmed by its giant neighbor to the north.

There is no doubt that Macau is unique. As the oldest European settlement in Asia, its fortunes have waxed and waned since it was founded by the Portuguese in 1557. Macau was at the forefront of Europe's expansion into Asia, then slipped into obscurity: began as a staging post for Roman Catholicism

in Asia, then found economic salvation in gambling. For more than 400 years, this tiny outpost on the south China coast flourished as a unique cultural melting pot, unmatched in all the world.

Macau's most enduring multi-ethnic symbol is the Macanese, the small group of Macau-born people of mixed Chinese and Portuguese blood blended with strains of everything from Malay and Indian to Japanese and Russian. Tracing their roots back hundreds of years, the Macanese are more than cultural mediators within the enclave's dominant groups. They have their own history and traditions that embrace everything from cuisine to theater to language.

"The Macanese are proud of their culture," says Henrique de Senna Fernandes, a Macanese who is a lawyer and novelist. "We don't want to lose our own identity. We may not have any big heroes, but we still have a way of life and a way of thinking that is our own."

Macau's best known cultural icon is its cuisine, an ingenious blend born of two traditions renowned for hearty appetites and love of food. But according to the chef Chan Yok Kong, Macanese food is about more than "East meets West," it is the best of Portuguese cuisine reinvented to suit Asian tastes. That means not only a subtle shift in the

use of herbs and spices, but also a different approach to cooking.

"Portuguese food is quite bland," says Chan, whose father was the governor's chef for 20 years. "They only like simple spices, use a lot of pork fat, which is very heavy, and often stew things for hours." In Macanese cuisine, traditional Portuguese dishes are re-created with a touch of Asian flair: Olive or vegetable oil replaces pork fat; local spices like star seed, tamarind, lemongrass and chili are used, and fast wok cooking replaces the slow-cook stew pot.

While Macanese food is fairly well known, other aspects of the culture are in danger of being lost. Macanese patois, a local dialect that fuses Portuguese with Chinese, Malay and other languages, has all but died out.

"When I was younger, there were regular patois plays," says Sona Palmer, senior manager at the Macau Jockey Club and one of the founding members of the amateur theater group Doci Papiacao di Macau. "Then one day, a group of us were talking about how much we used to enjoy those plays and what a pity it was the younger generation didn't speak patois any more. So we decided to make one ourselves."

Doci Papiacao di Macau — the phrase means "sweet talk" — has been a huge success since the group staged its first play in 1993. Ironically, most of the company's members had to learn patois from scratch. Even Miguel de Senna Fernandes, a playwright for the troupe,

said he had to learn his "native tongue" before putting pen to paper. In keeping with tradition, the plays are light-hearted, topical and humorous, exploring themes from the visit of the Portuguese president to cultural gaffes to issues surrounding the 1999 handover. The group has gone on tour, it is so popular, playing to Macanese expatriates from São Paulo to Toronto.

Who's Who?

While the revival of Macanese theater has done much to bolster local pride, the whole concept of what it is to be Macanese can be confusing to outsiders. There is no official definition of who is a Macanese, so even determining the size of the community is impossible. Estimates range from 1 to 3 percent of the enclave's 500,000 or so residents, from 5,000 to 15,000 people.

"It is very difficult to define," said Palmer, the Jockey Club manager. "Macanese are traditionally those born in Macau of mixed blood. But some Chinese who have had a Portuguese education also consider themselves

Macanese. Then there are the Portuguese who are born here and, although they look very European, they speak fluent Cantonese, mix with the local community, and consider themselves Macanese."

"Macanese is a cultural definition," agreed Henrique de Senna Fernandes, whose family roots here go back some 25 years. Though a lawyer by training, the 74-year-old is also a writer, and a romantic at heart. He has written four books about the Macau of his childhood to preserve the traditions and customs of his native home for future generations.

"I write about my childhood experiences. If I don't write, the memory of that way of living will be lost forever."

The fact remains that, come Dec. 19, 1999, Macau's 400-year link with Portugal will come to an end. There doesn't seem to be much hand-wringing among the Macanese though.

"At first people were a bit afraid," Palmer said. "But we had the example of Hong Kong, which seems to be O.K., so people are less worried now. Some who thought of leaving before have now decided to stay."

To preserve the enclave's unique cultural heritage and prevent it from being swallowed whole by China, money has been poured into such historic attractions as the 16th-century St. Dominic's church, just recently renovated, the revamping of the facade of St. Paul's church and the building of the Macau History Museum.

"We don't want to lose our identity," said Henrique de Senna Fernandes, who is saddened by the prospect of the handover. "Macau could become a Chinese city. But Macau is Macau because of us, the mixture of two peoples, two cultures. To transform it into a Shenzhen or Guangzhou would be a tragedy."

The prospect of becoming a special administrative region has also injected the enclave with a kind of economic optimism. It is as though Macau has awoken from decades of lethargy as the casino capital of Asia to make a second play for success. Although gambling gave the enclave a slightly seedy reputation — triad violence hasn't helped — it has helped pay for the redevelopment and expansion of the enclave's infrastructure and attractions.

"Macau is about much more than gambling," says Joao Novikoff Sales of the government tourist office. "I think the casinos have been successful in attracting people to Macau. But now it's important to focus on the other things Macau has to offer."

In fact, Macau's small size belies the diversity of the enclave's attractions — and the enduring appeal of its relaxed, education also consider themselves



The facade of St. Paul's church in Portuguese Macau.

Mediterranean charm. In the winding streets around the Largo do Senado, the enclave's lively main square, are colorful Portuguese-style terraced houses, European bakeries, Chinese apothecaries and shops selling everything from live snakes to dried beef.

CENTURIES-OLD temples and tranquil Chinese gardens rest a stone's throw away from elaborate Baroque churches and crumbling hill-top fortresses.

There are museums to visit, markets to explore and, when hunger strikes, plenty of cafés and restaurants to sample the enclave's famed cuisine.

Macau even has a green side: The southern isles of Taipa and Coloane

boast rugged walking trails, sandy beaches and quiet villages for those hankering after some rural relaxation.

By the time the Portuguese flag is lowered, the old administration will have done all it can to entrench Macanese identity in Macau. But in 50, or even 100 years, will visitors still be charmed by its distinctly European feel?

"I think we will survive," Henrique de Senna Fernandes said. "The descendants of Portuguese have survived in many places in the world for centuries. You can find them in Malacca, in Sri Lanka. They have their own way of living and are different. I think we will be the same."

Katherine Tanko is a journalist who travels frequently in Asia.

A Battle for Control
Enclave's Gangsters Cast a PallBy Mark Landler
New York Times Service

MACAU — Pity the poor tourism officials who work for this vest-pocket Portuguese colony on the southeast coast of China. One year before it is handed over to China, Macau is eager to present itself as a destination for the discriminating traveler: a Mediterranean port on the South China Sea. But with gangs waging a bloody war over its lucrative gambling business, the enclave seems less a charming fusion of East and West than a lethal mix of East and Wild West.

Tourism officials acknowledge ruefully that the crime wave has scared away many visitors, most of whom come to Macau to gamble in its somewhat down-at-the-heel casinos. "Obviously, the incidents affect tourism," said Winnie Pau, the Hong Kong representative of the Macau government tourist office. "But if people are enjoying the tranquility of the casinos, they won't go out on the streets in the middle of the night, when these incidents occur."

Pau said no tourists had been affected by the violence. That did not stop the Foreign Ministry of Taiwan from issuing an advisory urging its citizens to exercise caution when visiting Macau. Taiwan put out the warning in September, after 15 people were wounded in bomb blasts in central Macau that were aimed at police and news organizations. The gang wars have subsided a bit since, though a Hong Kong businessman was kidnapped recently and held in the colony.

The mayhem in Macau threatens to overshadow the transfer to China, set for Dec. 19, 1999. But while Macau's change of sovereignty is not likely to draw the same worldwide attention as Hong Kong's last year, in some ways it will be a more historic milestone: When Portugal relinquishes this territory of 502,000 people, it will be the last European colonial power to decently and held in the colony.

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Portuguese seafarers established Macau in 1557 — 285 years before Britain signed the lease for Hong Kong. And unlike Hong Kong, Macau has preserved its European ambience.

From the Largo do Senado, its magnificent oblong-shaped town square, to São Paulo, a church that burned down in 1831, leaving only a richly detailed facade, Macau is laden with architectural treasures. The Portuguese administration has restored many of these sites to their original splendor, and it recently opened a remarkably accessible museum chronicling the colony's history.

"People throughout Macau are desperately looking for ways to perpetuate our uniqueness," said Fok Kai Cheong, a professor at the University of Macau, who spoke at a recent architecture symposium.

Sadly, Macau owes its Old World atmosphere mostly to the fact that the modern world left it behind. After thriving as a trading post during the 18th and 19th centuries, Macau began to lose ground to Hong Kong, which was blossoming into the commercial and financial hub of East Asia.

By the 20th century, Macau had become a backwater. But in the last 30 years, it has refashioned itself as a mecca for gamblers from Hong Kong. Today, Macau's most popular landmarks are its casinos and gambling generates 68 percent of Macau's tourism revenue, with the rest coming from sightseers.

The casinos have become the prizes in a ferocious tug-of-war between gangs from Hong Kong, Taiwan and China. Law-enforcement officials say the gangsters are trying to stake claims to the casinos before the Chinese government takes control.

Although the gangsters tend to restrict their attacks to each other or to the Portuguese authorities, their mere presence casts a shadow. At the Hotel Lisboa, a gaudy wedding-cake edifice that is Macau's flagship casino, police officers patrol outside the entrance with automatic weapons.

MAKING HEADWAY Portuguese officials say they are making headway in the battle against the gangs. They point out that in the first 10 months of 1998, Macau actually had fewer homicides than in the same period last year: 22 versus 25. In May, the police arrested Wan Kuak-Koi, a 43-year-old Chinese who is reputed to be Macau's most powerful gang leader. Also known as Broken Tooth Koi, Wan is now in an isolated prison cell on a tiny island off the enclave.

As the handover nears, the Chinese government has become more assertive in helping Macau combat crime. Beijing recently announced that it would station soldiers in the colony after the reversion — a move that has left the departing Portuguese authorities distinctly uneasy.

Meanwhile, Macau is forging ahead with plans for a change in government. But unlike Hong Kong, which mounted a dazzling fireworks and laser show, Macau will keep things small, with a single day of festivities. "We want to have a cozy, cultural event," said Pau, the tourism official, "rather than a glamorous, magnificent event that costs millions of dollars."

By Gavin Green

reduced until, last month, Mercedes took over the project completely.

Yet the Swatch legacy lives on. The Smart car, a two-seater, comes in bright colors and — as with Swatch straps — you can change the plastic exterior panels when you tire of them. Or, more likely, given the car's city milieu, when they get scratched. The cabin, too, is as bright as a bag of candy and the quality of the trim is a cut or two above what you'd expect in a Fiesta or a Punto.

Unlike most cars, which are designed to be all things to all people, the Smart is a specialized vehicle. It is designed for the city. It is not meant for the freeway or winding country roads or for hauling four hefty people to a ski resort in winter. It is assumed that customers will own other cars for the long haul.

This city-car bias gave the engineers a wonderfully focused brief. The car had to be as small as possible because city cars should be easy to park and should help reduce congestion.

The upshot is that the Smart is the

smallest production car ever, noticeably shorter than old micro champ, the Mini.

Its engine is under the trunk, above the rear wheels. No hood is necessary, saving length. Nor does it have rear seats, but in town most cars rarely seat more than two people. There is no clutch pedal because in traffic, clutch pedals are a nuisance. The Smart has a motorcycle-style sequential gearshift, with an automatic clutch.

The little car is a buzz to drive. Shift-

ing gears is blissfully easy without a clutch to juggle, and the little three-cylinder turbo engine, growing behind your back, delivers a strong kick. It accelerates strongly to 60 kph (38 mph) — up to city driving pace — but becomes more breathless after that. Top speed is 135 kph, but the car is more comfortable at lower velocities. The engine sounds great too — like a powerful motorcycle.

The ride is not good, more ruffled rug than magic carpet. And the steering wheel requires far more twirling than you'd think, which can make the Smart feel cumbersome.

The final drawback is the car's tendency, at speed, to understeer or lose road-holding ability at the front. This is not a problem in town, but can limit speeds if you wander outside the car's natural domain.

Around town, though, it's fabulous. I loved it, and so did just about everybody else who saw it. I have never driven a car that created more interest. In the cost — roughly the same money as for a low-specification Ford Ka or a Volkswagen Lupo — too much? Not when you look at its quality of construction, and its excellence in town.

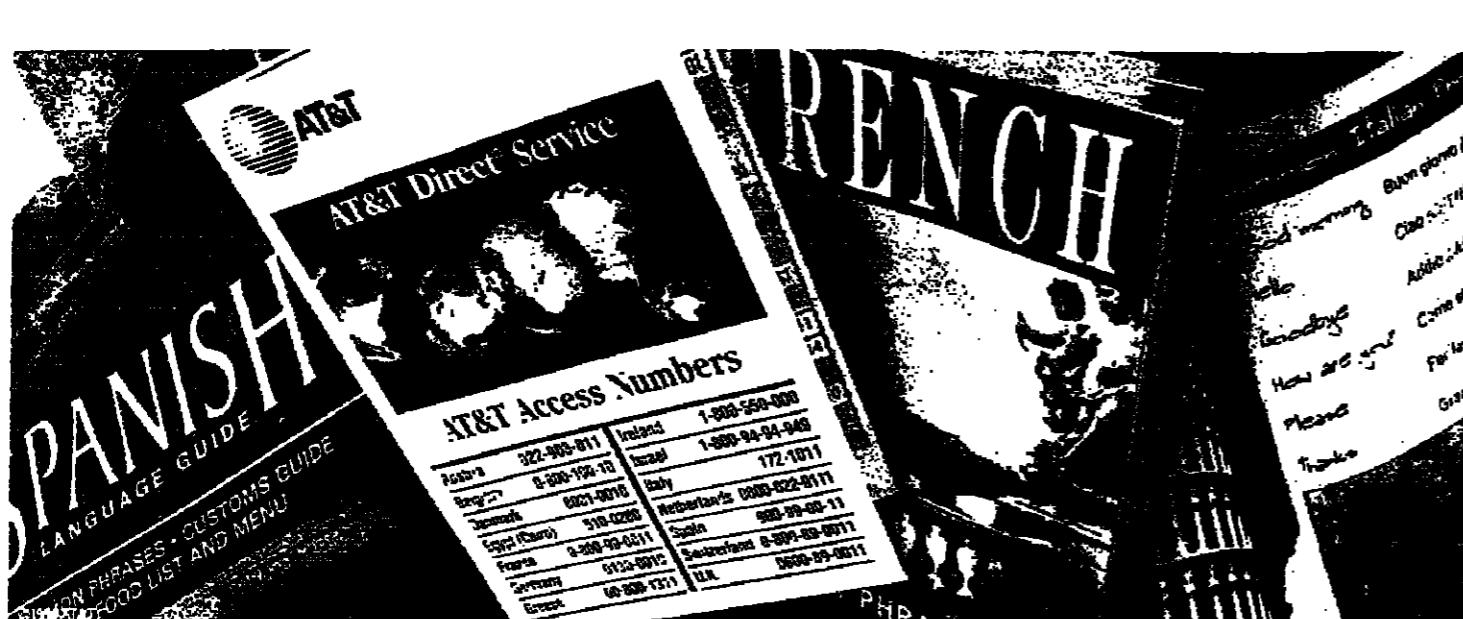
Despite the criticism, one senses that the public mood is starting to swing toward Mercedes.

A once stolid company is now winning a reputation as a funky, cool car-maker, helped by the youthfulness of the A-class and the Smart. The flik seems to have done Mercedes some good: Anyway, isn't combat gear all the fashion just now?

• Smart City Coupe. About \$11,000. Three-cylinder, 599cc, turbocharged engine, rear-mounted. Maximum power 54 bhp at 5,250 rpm. Six-speed sequential transmission, rear-wheel drive. Top speed: 135 kph (84 mph). Acceleration: 0-100 kph in 17.2 seconds. Average fuel consumption: 5.0 liters/100 kilometers.

Next: Volvo S80

Gavin Green is editor in chief of Car magazine.



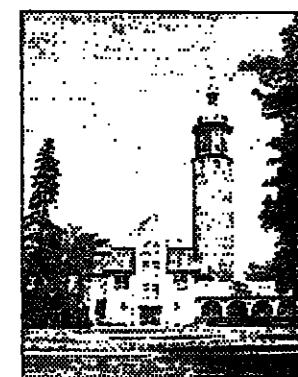
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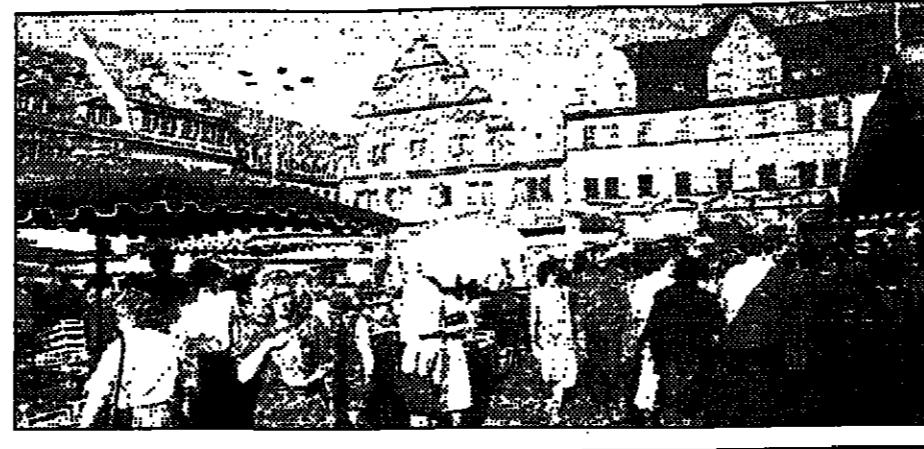
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Thuringia's manufacturing and high-tech industries are having a banner year, and their success is expected to stimulate the rest of the economy in the state, located in central Germany. The state expects many visitors next year, when Weimar will be Europe's cultural capital. Views of Thuringia (clockwise from top left): Arnstadt, Eisenach, Weimar, Jena and Meiningen.



INDUSTRY LEADS THE WAY TO ECONOMIC GROWTH

Thuringia, the green land of Goethe, Schiller and the Bauhaus, is orchestrating a transformation led by its industrial sector.

Thuringia's industrial sector is growing by leaps and bounds. The challenge facing the German state is translating the success of the manufacturing sector to the rest of Thuringia's economy.

At the end of October, Thuringia achieved a drop in the unemployment rate of 4.1 percentage points to 13.4 percent. It was the largest month-to-month fall ever recorded by a German state. The drop was accompanied by other good news: a rate of economic growth nearly 50 percent above the average of former East German states and the region's highest share of exports.

1998's results come on the

Bernhard Vogel, the state's prime minister, knows where this growth comes from. "Our manufacturing sector is modern. It's the engine of economic development in Thuringia," he stated in a recent interview with the daily *Süddeutsche Zeitung*.

The economy's engine

As of September 30, the total value of new orders secured by Thuringia's manufacturers was up 21 percent over the previous year. The best-performing industrial group was capital goods, up 25 percent. Also showing strong rises were manufacturers' sales, up 13 percent.

1998's results come on the

heels of a 12.2 percent net rise in output in 1997 by Thuringia's manufacturers, the highest among Germany's 16 states.

"Equally gratifying is the mix of products issuing from our manufacturing facilities," says Reinhold Stanitzek, speaker of the board of management of LEG Thüringen, the state's business development corporation. "It's made up of automobiles, microelectronics, facilities, biotech devices and other state-of-the-art products. The mix is as advanced as that of any state in Germany — or any region in Europe," he adds.

Private money flowing in

The state's industrial upswing has been produced by a massive amount of private sector investment — some 8 billion Deutsche marks (\$4.85 billion) between 1990 and 1997, according to the state's ministry of economic affairs and infrastructure. While the total annual amount of investment has stayed relatively constant over the years, the size of the individual outlays has declined.

The early 90s were the era of the heroically sized capital outlays, led by the 3.6 billion Deutsche marks provided by the public sector to restructure Jenoptik and the 1 billion Deutsche marks spent by Opel in its new facility in Eisenach. Today's investments are generally smaller, says Mr. Stanitzek, who finds this entirely logical.

Flourishing SMEs

"Thuringia's new-look economy features a predominance of companies from the Mittelstand [the German term for small and medium-sized enterprises].

Like calls to like. Thus, it's not surprising that the companies now flocking to the state are also generally from the Mittelstand," he says.

"Attracting them, in addition to our relatively low costs of well-educated labor and fully developed sites and other classic advantages, is their well-founded belief that Thuringia has the essentials allowing them to further develop and deploy their stock of technologies," Mr. Stanitzek adds.

The state's overall performance hasn't been quite as good as that of its manufacturing sector. In 1997, Thuringia's gross domestic product rose 2.4 percent, second-best among Germany's eastern states.

State business development authorities expect a multiplier effect from the success of manufacturers, whom they see as a dependable source of demand for services and structures. The demand will rejuvenate Thuringia's service sector as well as its hard-pressed construction companies.

Founded in 1992, LEG Thüringen was given an ambitious brief by the state government: to develop, sell and

A recent survey conducted by the Institut der deutschen Wirtschaft, a business-research organization in Cologne, revealed that large majority of Thuringia's manufacturers expect their business to further improve in 1999.

Wide range of specialties

According to Mr. Stanitzek, Thuringia has two prime business assets. "There are very few assets in which our state's business community is not well-established and well-regarded," he says.

"Virtually all of our communities have advanced technological specialties. In addition to Jena, Eisenach and other high-profile cities, these communities include Unterwellenborn and its steel industry.

Rudolstadt-Schwarza's chemical manufacturers and the ceramics

producers in Hermsdorf," Mr. Stanitzek adds.

As he sees it, this range of sectors gives the state the ability and flexibility to exploit new opportunities, no matter where they arise.

Mr. Stanitzek's corporation has facilitated the development of this geographic and sectoral range of activity.

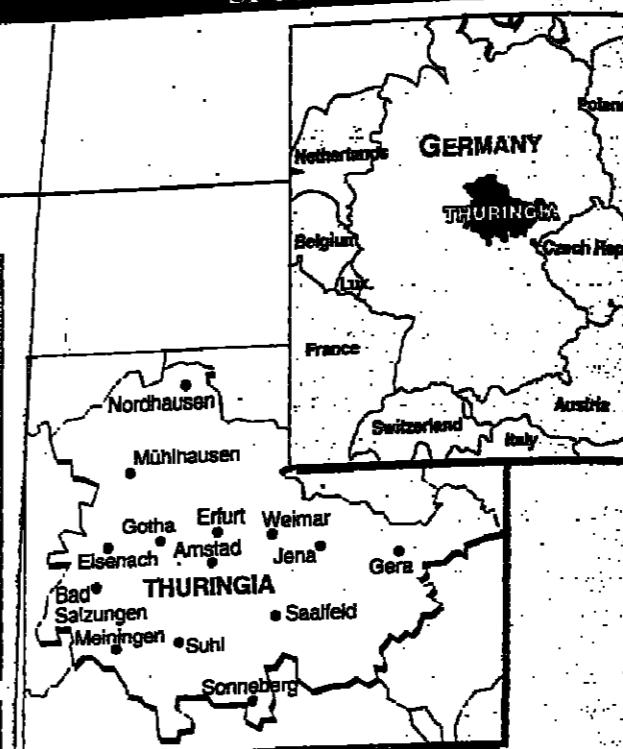
Founded in 1992, LEG Thüringen was given an ambitious brief by the state government: to develop, sell and

Continued on page 13



Thuringian resident luminaries:

From top: Friedrich von Schiller, Johann Wolfgang von Goethe, Walter Gropius.



THE THREE SISTERS OF THURINGIA

Jena is known for high-tech; Weimar is a cultural capital; Erfurt is a model of urban redevelopment.

Headed west-to-east, the first comes Erfurt, then 20 kilometers (12 miles) later, Weimar. A further 20 kilometers is Jena. Each of these central Thuringian cities is basking in a wave of media attention and commendation.

"Cluster-building" is the current buzzword in economic development circles, and no city has done it better in eastern Germany than Jena, along with Dresden. Centered around the resurgent Jenopark, indisputably the most successful high-tech company in the east, this small city of 102,000 people has become one of Germany's main centers of innovation in biotech, optoelectronics, microelectronics and M/R measurement/regulation.

Weimar, Europe's cultural capital for 1999, will host a year-long string of galas and festivals. For more than 200 years, since Johann Wolfgang von Goethe's arrival in the city in 1775, the world's cultivated have been making the pilgrimage to Weimar, which has also been home to Schiller, Kandinsky, Klee, Gropius and other luminaries.

Erfurt is often cited as a role model for urban redevelopment in eastern Germany. It is widely praised for having lovingly restored and revived the Altstadt, its vast historic downtown, and for having provided a satisfactory supply of sites to investors. The state's capital has established itself as Thuringia's prime venue for trade fairs and congresses. None of the cities is totally

satisfied with the gist of the praise.

Weimar's representatives point out that their city is more than cultural center, that it also has a thriving high-tech business community.

Erfurt points to its own successful exercises in cluster-building — its focus is microelectronics — and its long and illustrious cultural history.

Jena is proud of its restored half-timbered houses and market squares. The city's message: it's more than a huge research and development facility.

Other Thuringian cities, although noteworthy, have drawn less attention. Among the state's unsung success stories is Ilmenau, 30 kilometers south of Erfurt. Recently ranked number one among Germany's schools of engineering by newsmagazine *Der Spiegel* (and number six in all of Europe), the city's Technical University rivals Jena's as a source of new, market-making products.

The university forms the nucleus of a campaign managed by LEG Thüringen, the state's business development corporation, to cultivate new microelectronics, life sciences and image-processing companies.

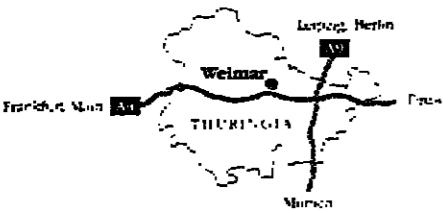
Also worthy of note is Eisenach, the largest net recipient of inward investment in the state. The arrivals of Opel, BMW, Lear, Bosch and other companies have triggered the formation of a major agglomeration of locally owned automotive suppliers and subcontractors. ●

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USEFUL INFORMATION AND ADDRESSES

Thuringia
Area: 16,171 square kilometers (6,244 square miles)
Population: 2.5 million
Capital: Erfurt (204,000)
Other major cities: Gera (125,000)
Jena (102,000)

LEG
Landesentwicklungsgeellschaft Thüringen mbH
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D-99084 Erfurt
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Fax: (+49 361) 56 03 333
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INTERNATIONAL BUSINESS/FINANCE

FRIDAY, DECEMBER 18, 1998

RENAISSANCE
HOTELS AND RESORTS

It's time for a Renaissance

PAGE 15

Nasdaq and Hong Kong Market Set Alliance

By Mitchell Martin
and Philip Segal
International Herald Tribune

Taking a step toward 24-hour global stock trading, the National Association of Securities Dealers and the Stock Exchange of Hong Kong announced an alliance Thursday that will include the cross-listing of shares starting next year.

About 10 Hong Kong stocks will be listed on the Nasdaq system and the American Stock Exchange, both of which are run by the association, and a roughly equal number of U.S. equities will be offered to Hong Kong investors in the initial phase of the alliance.

"It's only a beginning," said Frank Zarb, the Nasd chairman, who announced the alliance in New York.

Specific issues to be listed were not revealed, but Mr. Zarb said they would not necessarily be the biggest names. Many leading Hong Kong companies are available to U.S. investors in the form of American depositary receipts, in which the stock is held by a bank in Hong Kong and a certificate representing the shares is traded in the United States.

"We are not stuck with the cur-

rent universe," Mr. Zarb said. Stocks would have to meet requirements of the appropriate exchange for cross-listing, he added, and there would have to be "commercial reasons" be-

NASD rank and file rebels. Page 19.

hind the initial choices, such as companies with significant operations in the other economy.

Direct listings are preferable to depository receipts for several reasons, among them direct payment of dividends. Dividends on ADRs must be transferred by the depository institution. Overseas holders of U.S.-listed stocks, meanwhile, are subject to a 30 percent dividend withholding and must file U.S. tax returns in order to reclaim it.

As the cross-listing idea grows, Mr. Zarb said, trading in ADRs is likely to diminish.

Mr. Zarb has previously said he wants to create a global financial network, and the association has been talking to Deutsche Boerse. He said Thursday that those negotiations were continuing and that they now include the London Stock

Exchange, with which the German market has already forged an alliance.

For the association, which this year took over the American and Philadelphia stock exchanges, this internationalist approach is a way to compete with the New York Stock Exchange, which has had more success in attracting listings of major companies from overseas.

The Hong Kong exchange, meanwhile, is locked in a battle with the Singapore exchange, which is challenging its status as the premier Asian market outside of Tokyo. But Mr. Zarb indicated that Singapore was one of the other international exchanges with which the association has had contacts.

The embrace of an international alliance marks a major change for the traditionally provincial Hong Kong exchange, which just last month threatened legal action against anyone providing stock prices that would support a new Hong Kong derivatives contract listed in Singapore.

The Internet proved to be Hong Kong's undoing, after the owner of the index on which the derivative was based, Morgan Stanley International

posted the formula for the index on the Internet for anyone to use.

After the Hong Kong government abandoned it in the fight over the index, the exchange began almost immediately to talk about moving toward 24-hour trading, followed by the cross-listing announcement Thursday.

In New York, Lee Hon Chiu, chairman of the Hong Kong exchange, said it was "natural" for the two markets to compete. When asked what advantages his exchange offered, Mr. Lee said, "You have to visit Singapore and Hong Kong to make your own assessment on social and economic freedoms." He added, "Most people don't understand Singapore, and they don't understand Hong Kong."

As Mr. Zarb noted, one attraction to the Hong Kong exchange is that it provides a "window" to trading with China. He plans to visit China in January, he added.

Mr. Lee said that one or two Chinese companies were likely to be included in the initial batch of cross-listed stocks.

The cross-listing plan would make it easier for investors to buy overseas shares, but on-line brokerage firms have



Frank Zarb seeks a global network with ties to Frankfurt and London. (AP Photo/The Associated Press)

already reduced the difficulty. As well, trading outside of regular exchange hours is already available to professional investors via such services as Reuters PLC's Instinet. Some individuals can also gain access to these services through their brokerage accounts.

See NASDAQ, Page 19

U.S. Holiday Shoppers Log On

In Turnaround, Gift Purchases Over the Net Soar This Season

By Mark Leibovich
and Leslie Walker
Washington Post Service

WASHINGTON — Internet commerce is finally starting to yield results to match its hype.

New surveys show that American consumers are changing their holiday shopping habits and, with just one week until Christmas, are making on-line purchases at levels that exceed estimates.

Amid such indications of on-line shopping strength, shares of several Internet commerce giants jumped Wednesday.

America Online Inc. reported that 750,000 subscribers made their first on-line purchase during the past two weeks, and its stock climbed \$3.25 to close at \$96. It continued to climb on Thursday and closed with a gain of \$3 at \$99.1875.

Shares of Amazon.com Inc., an on-line bookseller, rose a staggering \$4.25 on Wednesday to close at \$289 after one Wall Street analyst said the stock would reach \$400 in the next 12 months. On Thursday, it fell \$7 to close at \$282.

While stores and malls say it is too soon to tell whether their sales have been hurt by Internet commerce, on-line retailers in the United States are reporting a virtual stampede of shoppers onto their World Wide Web sites.

Recent surveys show that about one-third of Internet users have made purchases on-line in the past, but retailers say that number is rising rapidly this holiday season — fueled by a flurry of media attention to

electronic retailing.

The number of people visiting Web retailers rose nearly 80 percent in the second week of December, according to a survey of 40 top on-line stores by Media Matrix Inc., an Internet research group.

"It's going phenomenally well," said Jeff Neuman, who runs the on-line division of Eddie Bauer Inc. She said the clothing retailer has had record on-line shopping volume this season.

"We have an avalanche of brand-new customers," she said.

Traffic at Barnes & Noble Inc.'s Web site has surged 400 percent since early summer, company spokesman Ben Boyd said.

The on-line site has been attracting two kinds of shoppers, Mr. Boyd said. The first group prints out information on books from the site and then drives to the store for purchases.

The second makes purchases online, taking advantage of the medium's convenience.

It is unclear how on-line sales are affecting traditional retailers because many store owners have recently added catalogues and Web sites — and many do not track which sales were made in the store and which were made electronically.

TeleCheck Services Inc., a check acceptance company, said same-store sales — revenue at stores open more than a year — rose a moderate 4.4 percent on the day after Thanksgiving, compared with the same day in 1997. That is more in line with retail forecasts for the entire holiday shopping season.

On-line retailing still accounts for only a small portion of total retail sales, according to the Direct Marketing Association of New York. While on-line sales are projected to more than double, to \$4.7 billion this year, catalogue sales were estimated to reach \$87 billion and overall retail sales to total \$2.6 trillion.

Still, Internet commerce is gaining momentum, and Wall Street is taking notice.

Amazon.com was the talk of the investment world as its stock jumped 19 percent following a prediction by Henry Blodgett, a CIBC Oppenheimer & Co. analyst, that the online bookkeeping behemoth would trade at \$400 a share in 12 months — after rocketing more than eightfold this year.

The Seattle-based company — which is still not profitable — boasts a market value of \$15.2 billion.

Amazon is expected to lose \$1.71 a share next year, compared with a loss of \$1.62 this year, according to a consensus estimate of analysts polled by First Call Corp.

In his research report, Mr. Blodgett said the number of orders logged on Amazon's Web site the day after Thanksgiving was four times higher than a year earlier. The company could generate annual revenue of \$10 billion and earnings of \$10 a share within the next five years, the analyst wrote.

Amazon's rival Books-A-Million Inc. also enjoyed a heady Wednesday. Even though on Thursday, Books-A-Million fell \$2.875 to \$15.25, the shares on Wednesday

had catapulted \$8.0625, to close at \$18.1250, making the stock the most actively traded issue in the United States. Amazon finished third.

Second was America Online,

whose stock jump was spurred by reports of huge on-line sales volume.

AOL members appear to shop online more often than people who access the Web directly, according to a company release.

About 48 percent of AOL's subscribers have made a purchase online, up from 42 percent in January, according to Wendy Brown, the vice president for commerce for America Online.

Traffic to AOL sites specializing in toys has more than quadrupled from last year, the company said, while traffic to clothing store sites has more than tripled.

CompuServe Inc., the on-line service that America Online purchased this year, reported shoppers on its service would spend an average of \$319 apiece on on-line purchases this holiday season.

Since CompuServe's Shopping Channel debuted last month, traffic has increased tenfold, the company said.



Steve Goldstein

Farm Exports Helped Shrink U.S. Trade Deficit in October

Copied in Our Staff From Dispatches

WASHINGTON — The trade deficit unexpectedly shrank by 1.2 percent in October from September, to \$14.2 billion, despite record imports, the Commerce Department said.

An increase in exports of farm products, primarily soybeans and wheat, helped offset a rise in imports of 2.2 percent, to \$93.8 billion. Exports of goods and services rose 2.8 percent, to \$76.6 billion, the department said. The trade gap was the lowest since April.

Economists, looking at the impact of the Asian financial crisis on U.S. trade, had expected the deficit to expand to \$15.1 billion in October after narrowing in September to a revised \$14.37 billion deficit.

"Obviously, it was a better reading on the trade front than expected," said Kevin Flanagan, an economist with Morgan Stanley Drexel. "We would not expect this to be a renewed trend. The last two months are probably an anomaly in the trend toward higher deficits."

Even with the improvements in September and October, the overall deficit is still running at a record annual rate of \$167 billion, far above the gap last year of \$110.2 billion, as the Asian financial crisis continues to batter key parts of the American economy.

The politically sensitive deficit with Japan shot up to the highest level in more than a half a year, while the deficit with China for the year continued to run at a record level.

Driving the deficit with Japan is the comparative strength of America's economy and the weakness of Japan's, which might start to improve next year. "Our exports to Japan in October were down about 7 percent, but back in June they were down 17.5 percent on Bankers Trust Securities in Chicago.

"So the rate of decline is slowing. That's a

sign things are starting to stabilize there."

Weak growth in Asia has depressed demand and prices for key industrial goods and commodities, including steel and computer chips. The dollar's strength against the yen has further weighed on import prices, intensifying price competition in heavy industry, most notably steel. U.S. steel producers have filed several high-profile anti-dumping suits against Japanese and other steel-exporting nations in response.

Since March, American companies have laid off 198,000 manufacturing workers, reflecting a plunge in exports to Asia.

The department said record imports in October primarily reflected increases in purchases of civilian aircraft and engines, industrial supplies and automotive parts and cars.

The trade deficit with Japan widened to \$5.97 billion from \$5.07 billion in September and was the highest since March 1995, the agency said. The deficit with China declined to \$5.54 billion from \$5.90 billion in September. Both exports to China and imports from China were records in the month, the department said.

The trade gap with the European Union nearly doubled in October, to \$3.24 billion, while the deficit with Canada expanded to \$2.24 billion from \$2.19 billion.

Despite the global turmoil, the overall U.S. economy has continued to be healthy. That fact was underscored by a second report Thursday, from the Labor Department, showing that the number of Americans filing new applications for unemployment benefits dropped by 31,000 last week to a six-week low of 296,000.

The unexpected improvement in jobless claims highlighted that U.S. labor markets, despite the weakness in manufacturing, remain tight. The overall unemployment rate dipped to 4.4 percent in November, near a 28-year low.

(Reuters, AP, Bloomberg)

How Are You? A Publisher Wants to Know It All

By Robert O'Harrow Jr.
Washington Post Service

WASHINGTON — They are the sort of questions you typically answer while waiting to see a doctor. Do you suffer from depression or infertility? Experience stress or menstrual pain? What about gastritis and nail fungus?

But this is no medical form. It is a survey of readers by Conde Nast Publications Inc., publisher of the New Yorker, Vanity Fair, Vogue and more than a dozen other upscale magazines.

Conde Nast, it seems, wants to know its subscribers better. Much better.

"What do you like? What do you want? Your answers to the questions that follow will allow us to target areas which interest you most and

help us be most rewarding to you," says the introduction to the Preferred Subscriber Network survey. "Just answer the questions below to start the conversation and become part of this select group of subscribers to whom marketers listen first."

It may seem odd that anyone would part with so much personal information, particularly when it is all going to be put into a giant database.

After all, a new poll by Louis Harris & Associates Inc., on behalf of a non-profit research group called Privacy & American Business, found that almost 9 of 10 adults are concerned about privacy.

But guess what? Almost 400,000 people have responded since the eight-page booklet began going out with magazines in May.

The apparent success of the survey highlights an ugly truth about the roil-

ing privacy debate in America. Even as people fret about corporate intrusiveness, they often willingly, even eagerly, part with intimate details about their lives.

"It's amazing. It's impotence and inconvenience and all kinds of things they don't tell anybody," said Edward Nash, a marketing consultant and author of "Database Marketing: The Ultimate Marketing Tool."

"People tell us all kinds of things they wouldn't tell their neighbors."

With more than 700 boxes to check, the Conde Nast survey asks for people's names and particular about smoking, drinking, hobbies and shopping.

It asks subscribers for the make, model and year of their cars, the kinds of computers they own and details about how they cruise the Internet. And it asks about subscribers' in-

tentations with regard to marriage, having a baby and becoming a grandparent. Those getting married are urged to say when ("Please write in month, date and year in numeric form").

On Page 5, readers will find questions about 25 health-related matters, everything from "Acne/skin problems" to "Vaginal/yeast infection," all in alphabetical order. Also included are queries about drugs. The survey asks, "For which conditions do you or someone else in your household take prescribed medication?"

The survey intentionally sidesteps

disconcerting questions about one's financial matters. That is because Conde Nast, like most other companies, can easily buy such data from information services and add it to the information.

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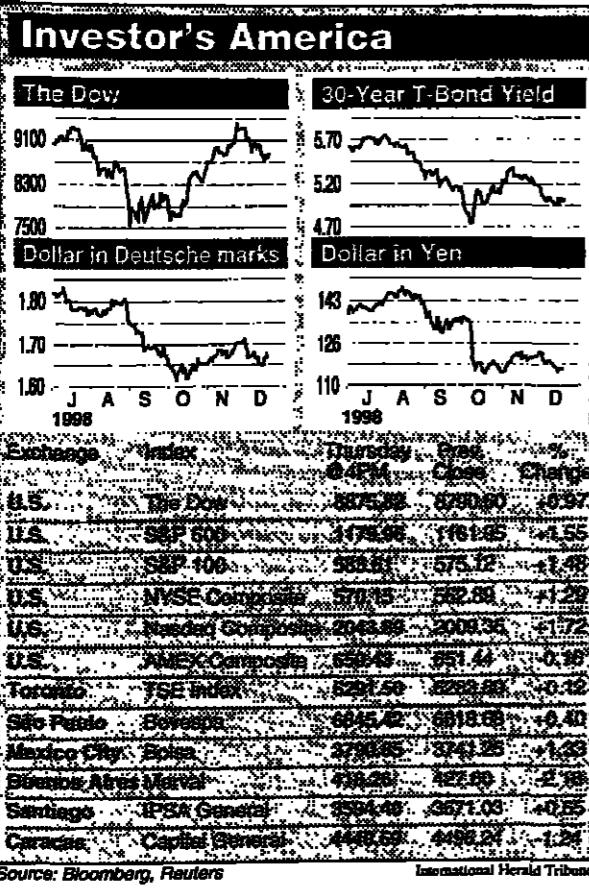
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THE AMERICAS



Stocks Rise as Traders Focus on Profit News

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose Thursday as a string of positive earnings forecasts and reports pulled investors' attention away from the attack on Iraq and the impeachment proceedings against President Bill Clinton.

Financial and computer-related shares led the gains after Adobe Systems said earnings beat estimates and Chase Manhattan gave an optimistic profit outlook.

"The large technology stocks that dominate their industries are doing very well," said James Gribbell, a money manager at David L. Babson & Co. in Cambridge, Massachusetts. Also, with the economy growing and interest rates falling, "you've got all the makings of a great environment for financial-services stocks to do well."

Investors were also encouraged by a Commerce Department report that showed the U.S. trade deficit fell in October. In addition, a Labor Department report showed that the number of Americans filing new

applications for unemployment benefits dropped to a six-week low.

Oil stocks, which rose Wednesday in anticipation of higher petroleum prices because of the bombing of Baghdad, fell back on Thursday. Chevron, Exxon and Atlantic Richfield were among oil stocks that fell.

The bad news for oil companies was good news for airlines, which

U.S. STOCKS

are major consumers of petroleum products. Continental Airlines and Delta Air Lines both rose.

The Dow Jones industrial average rose 65.22 points, or 1 percent, to 8,875.82. Advancing issues outnumbered declining ones on the New York Stock Exchange by an 8-to-7 ratio.

The Standard & Poor's 500-stock index gained 18.02 points, or 1.6 percent, to 1,179.96.

The Nasdaq composite index, which contains many technology-related companies, climbed 34.53 points, or 1.7 percent, to 2,043.89.

Few industries can boast of "robust growth, so people have to keep coming back to technology," said Gary Dvorak, a fund manager for Provident Investment Counsel of Pasadena, California.

Intel and Cisco Systems were among the stocks that gained on the Nasdaq. Micron Technology shares rose amid optimism that rebounding demand and flagging competition would help the second-largest maker of computer-memory chips return to profitability.

CMG Information Services shares soared 10% to 91% after the company said it would split its stock 2 for 1. CMG, which is up more than five-fold for the year, invests in closely held Internet companies with the goal of taking the companies public or selling them to other investors.

Shares of Amazon.com, the No. 1 on-line retailer, fell 12% to 276.4 amid concern that expectations for fourth-quarter revenue may be too high. The decline came a day after the shares rocketed 19 percent, following a CIBC Oppenheimer ana-

lyst's forecast that the stock would reach \$400 in 12 months.

Amazon.com's sales will rise to \$180 million in the fourth quarter from \$153.7 million in the third, Miles Rines, an analyst at Wheat First Union, predicted. Some people, however, are forecasting fourth-quarter sales of \$300 million, which Mr. Russ said would be hard to achieve.

"The expectations for this Christmas holiday season for on-line sales may be getting a little bit ahead of themselves," Mr. Russ said.

Chase Manhattan gained 6% to 69% after the bank said it expected fourth-quarter earnings to exceed analysts' estimates because of strong derivatives and currency trading and a surge in loans. Chase said it was "possible" it could have record earnings. Citigroup, American Express and BankAmerica were among other banking stocks that gained.

Treasury bond prices were stable, with the yield on the benchmark 30-year issue steady at 5.01 percent.

(Bloomberg, AP)

Dollar Falls As Clinton Uncertainty Casts a Pall

Bloomberg News

NEW YORK — The dollar fell against most major currencies Thursday as concern mounted that President Bill Clinton would be impeached.

U.S.-led military strikes on Iraq failed to lure investors to the dollar, which is often seen as a haven in times of global strife.

"The momentum in the last three days has accelerated in favor of impeachment," said James McGroarty, head of foreign exchange at Orbitex Capital Management. "When you

FOREIGN EXCHANGE

have that kind of political uncertainty, the dollar will come under pressure."

The dollar was quoted at 1.6675 Deutsche marks at 4 P.M., up from 1.6705 on Wednesday. It dropped to 1.6625 yen from 1.6675.

So far this year, the dollar is down about 11 percent against the yen and 7 percent against the mark.

The dollar got some support in early New York trading after a report showed the U.S. trade deficit unexpectedly narrowed in October.

A narrowing U.S. trade gap is good for the dollar because it means there are fewer dollars left in the hands of foreign exporters to sell for their own currencies repatriating profits.

Still, while export growth was strong, which bodes well for the dollar, traders expect the deficit to continue to widen.

This report "doesn't change the trade picture here for the U.S.," said Jay Bryson, an international economist at First Union Corp. in Charlotte, North Carolina.

"As the world weakens, the trade gap is going to continue to expand," Mr. Bryson added.

Against other major currencies, the dollar fell to 5.5925 French francs from 5.6114 francs and to 1.3490 Swiss francs from 1.3508 francs.

The pound slipped to \$1.6733 from \$1.6748.

High-Tech Publisher Seeks Ad Alternatives

By Jane L. Levere
New York Times Service

ing money to solving the Year 2000 problem; the downturn in the Asian economy, which has depressed computer sales in the region; consolidation within the computer industry; and fewer introductions of new computer products.

"If any one of these happened by itself, it would have been a minor speed bump," he said, "but for all four to occur in one year, it's gotten to be a pretty big deal pretty quickly."

Ziff-Davis' competitors, IDG and CMP Media Inc., also have seen ad revenue fall in the third quarter, ac-

cording to Adscope, which tracks technology advertising.

As a result of the decline, Ziff-Davis, which is 70 percent owned by Softbank, a Japanese distributor of software, shut down three of its 15 magazines, Internet Business, Equipment and Windows Pro, in October and laid off 10 percent of its work force of 3,500. Its flagship titles are PC magazine, PC Computing, Yahoo Internet Life and Family PC.

In addition, it is revising its advertising strategy, going after categories that have not traditionally promoted their products or services in Ziff-Davis' titles.

The largest of these categories is automotive advertisers, which the publisher has pursued for the last several years, stepping up its efforts during the summer. To reach this group, Ziff-Davis set up an ad sales office in Detroit in June. It also commissioned a study by ICR, a market research firm, which said

household incomes, it closely matched the demographics of online auto shoppers.

Electronic commerce companies are another category Ziff-Davis is eager to cultivate. Companies that have already bought space include Playboy.com, Cyberian Outpost and Catalogic.com.

Cindy Giller, senior vice president and group media director of Young & Rubicam in San Francisco, said that the circulation of Ziff-Davis's two most popular computer magazines — PC Magazine and PC Computing — and of IDG's PC World "puts them in the broader category for consumer advertising capabilities."

"The whole category is changing, broadening out," she said. "People who use computers are not as niched as they used to be. That's why these magazines' circulations are growing, and that's why they're viewed as consumer titles, not computer niche trade publications."

Sam Whitmore, a former editor in chief of PC Week and the publisher of an on-line newsletter that analyzes technology media, commended Ziff-Davis' efforts to promote all of its products in one package to E-Trade, something he said the competitor IDG or CMP could not offer.

"This is a very new direction for computer publishers," Mr. Whitmore said.

FDX Shares Soar After Profit Announcement

Bloomberg News

MEMPHIS, Tennessee — Shares in FDX Corp., the parent of Federal Express, shot up Thursday after the company said its second-quarter profit rose 22 percent as it benefited from lower fuel prices and cost controls. The company also benefited from strong domestic demand.

But the world's largest overnight-delivery company warned that costs to prepare for a possible pilots strike would hurt its third- and fourth-quarter earnings. The pilots aborted a strike threat last month after FedEx hired other airlines to carry packages and threatened to cut pilot jobs in the event of a walkout.

FDX shares jumped \$4.3125 to \$76.3125.

FedEx spent about \$10 million to reduce space on trucks and planes to prepare for the strike, preparations which will probably appear as charges when they are declared as expenses later in the financial year, FedEx said.

The pilots' union said a settlement was imminent.

Net income rose to \$183 million, from \$150 million, as oil prices, near 12-year lows, made jet fuel cheaper. Revenue rose 6.8 percent to \$4.21 billion in the quarter ended Nov. 30, from \$3.94 billion in the year-earlier period.

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INTERNATIONAL FUTURES

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ITALIAN GOVERNMENT BOND (CLIPPED) \$100 million, 100 per \$100 face

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NYSE

Thursday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Furniture prices not reflecting late trades elsewhere.

The Associated Press

Month Low Stock Div Yld PE 100% High - Low Listed City



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Fax +41 21 746 36 57

INTERNATIONAL INVESTING

The Rank and File of NASD Rebels

Smaller Brokerages Challenge Leadership Over Board and Costs

By Gretchen Morgenson
New York Times Service

NEW YORK — As head of the National Association of Securities Dealers, an organization that oversees some 5,600 member brokerage firms, Frank Zarb's domain is already plenty big. But he wants it to become the world's No. 1 market for stocks, so he has recently acquired the American Stock Exchange and the Philadelphia Stock Exchange, and is talking about Nasdaq alliances with the main stock markets in Germany and Hong Kong.

There is just one problem. Back home at the very grass roots of his organization, Mr. Zarb is having trouble putting out a little brushfire.

Many owners of the smaller brokerage firms that make up the lion's share of NASD members, are angered by a lack of representation, and they are threatening to loosen the stranglehold that large firms like Merrill Lynch & Co., PaineWebber and Goldman, Sachs & Co. have on the association's rule-making board and its operations.

For the first time in the association's 60-year history, the election for seats on the board of governors is being contested. On one side is the official slate, selected by the NASD's nominating committee. It includes former President Gerald Ford and James Dimon, former president of Travelers Group Inc.

Opposing in the election Monday is a slate of four unknowns, put up by associations of small brokerage firms.

While other NASD elections have been nonevents, this time throngs of small brokerage firms — those with 100 or fewer employees but which make up 91 percent of the membership — are on the move. They say they have become increasingly disenfranchised, even discriminated against, by an organization whose board is dominated by executives from large, household-name brokerages. Believing they are overregulated and underrepresented, the small firms want more say in the oversight process.

"The NASD is an organization that is resistant to change," said Alan Davidson, president of the Independent Broker Dealer Association and of Zeus Securities, a one-office firm in Jericho, New York, that specializes in bonds. He

is also the force behind the independent slate of candidates. "They have betrayed the bulk of their membership."

This David vs. Goliath story might be of no concern to the investing public but for one thing: Smaller broker-dealers, the association's roots, perform several important functions. They help small companies that are shunned by big firms raise capital so that they can grow and create jobs. Furthermore, many of these smaller brokers make markets in shares of obscure local companies, providing liquidity to investors trading the shares.

It is in the public interest that smaller firms be given the chance to survive and prosper," said Lewis Lowenfeld, a prominent securities lawyer in New York who represented floor brokers of the American Stock Exchange in its combination this year with the association. "The NASD was built in large part on the entrepreneurship of smaller firms and must be particularly sensitive to the needs of these firms as it builds and expands its global empire."

That is exactly what Mr. Zarb has been doing all year, counters Michael Jones, chief administrative officer of the association. "To say Frank has been aggressively pursuing and implementing the inclusion of small firms would be an understatement," he said.

Evidence of that happened this year when the board reserved one seat for a smaller broker-dealer. The association also formed the Small Firm Advisory Board to address the concerns of those constituents. That panel is headed by Carl Sherr, who runs his own small firm in Worcester, Massachusetts.

But Mr. Sherr is no outsider. He was chairman of the association in 1984 and has frequently sat on arbitration panels assembled by the regulator. He is also chairman of a district committee.

"He is supposed to be our representative," Mr. Davidson said. "But he's one of them, not one of us."

Jim Nelson runs Minnesota Valley Investors, a full-service brokerage in Redwood Falls, Minnesota, that has seven registered representatives.

"What bothers me is the lack of input asked for from small firms," he said.

Since 1993, association members have

not been permitted to vote on rule changes made by the board. The as-

sociation argued that sending out rule changes to an enormous membership was becoming too costly and inefficient. But to smaller broker-dealers, this was proof that their input was unwelcome. It meant that the acquisition of the American Stock Exchange, which was put to a vote of the AmEx members, was not approved by a vote of association member firms.

Mr. Davidson said: "The NASD owns and operates a television studio, sponsors the Super Bowl, has plenty of money for a multimillion-dollar sign in Times Square, but it doesn't want to spend 32 cents to mail members their own rule changes."

Smaller firms are also deeply concerned about increasingly stiff fees and fines for even the most minor infractions. Joseph Mays Jr., president of Securities Consulting Group in New York, advises smaller securities-firm clients and was a compliance examiner at the association from 1982 to 1987.

"In the past, some rule violations would have not been considered infangible," he said. "Now, they're looking for ways to catch firms in minor rule violations so they can put a dollar sign on the examination. They're turning the membership into a profit center."

For example, critics cite the association's approach to overcoming the year 2000 computer bug. Many smaller firms clear their clients' mutual fund, stock or bond trades through larger firms, handle no customer money or securities and may not even have a computer. Understanding this, the Securities and Exchange Commission suggested exempting them from computer compliance surveys.

But the association instead sent all firms a 19-page form to fill out. Many tiny firms replied late. In the past, that probably would have been overlooked.

This time the association has moved to censure the firms and impose fines of \$2,500, or roughly half the amount many of them have in net capital.

Dues and incidental fees imposed on members have also jumped in the past three years, far in excess of inflation. The minimum annual fee is \$1,200, but with add-ons a small firm could be charged \$3,000 while a much larger firm might wind up paying only \$4,000.

Mr. Jones said the regulator's costs have risen as the industry has grown.



Alan Davidson, a leader of small brokerages and critic of NASD.

NASDAQ: Hong Kong Alliance

Continued from Page 15

which is to be firmed up during the first quarter of 1999 and take effect later in the year, the exchanges also announced a joint Web site that allows investors to track portfolios of Hong Kong and U.S. stocks, as well as American mutual funds and options, in U.S. or Hong Kong dollars.

The site is available in a test version at www.tracker.nasdaq-sehk.com with prices from the previous trading day, though once it comes into full production it will provide prices with a one-hour delay for Hong Kong and a 15- to 30-minute delay for U.S. securities.

Seven securities dealers are involved in the architecture and implementation of the cross listings, Mr. Zarb said. The American participants, he said, are Goldman, Sachs & Co., Merrill Lynch & Co., Morgan Stanley Dean Witter & Co. and Citigroup Inc.'s Salomon Smith Barney unit.

Mr. Lee said Bank of China, HSBC Holdings PLC and Jardine Fleming Group were the others.

The cross-listed stocks will trade in the currency of the host exchange during its regular hours.

Because the Hong Kong dollar is essentially linked to the U.S. dollar, exchange-rate fluctuations do not play a large part in trading decisions for investors in either market who buy and sell the other.

CONDE: Publisher's Survey Gets Personal

Continued from Page 15

details they get directly from subscribers. "We get it from other sources, so I don't have to ask," said Stephen Jacoby, Conde Nast vice president for marketing and databases.

The Conde Nast survey is just one element of a rush by corporate America to collect data about customers. Companies track through credit card records, They track groceries and greeting card purchases and just about everything bought on-line.

And, of course, they ask customers to give it to them in surveys — telephone calls, postcards that come with new products and the sort of form issued by Conde Nast. They put all this data into zippy new computers to be parsed and analyzed in ways marketers only fantasized about a generation ago.

Surveys are far from perfect. Some people lie. But marketers still rely on them as a rich source of information. Many people fill out questionnaires honestly, in part, because they want to tell somebody about themselves.

"It's a release. Sometimes they want to let something out," said Mr. Nash, adding that surveys sometimes also make people feel like they're a part of something interesting. In some cases, they simply want to get something in return from companies they have faith in.

"They fill them out to get more mail."

Mr. Jacoby said the results from his survey show that people are not as worried about privacy as some claim — at least not when it comes to his company. Conde Nast magazines have combined

circulation of about 10 million. The surveys went out to subscribers who have renewed subscriptions two times or more.

The program encourages a sense of intimacy. In a "Dear New Yorker Subscriber" letter, Thomas Florio, the publisher, said readers who responded to the survey would be those "to whom we can turn first for a valued opinion about the products you see on our pages or for a first look when there is something sensational looming on the horizon."

But others were both angered and dazzled by the brashness of Conde Nast's effort. Maryalice Hurst, a marketing consultant and database ethics specialist, said people forever lose control of bits of their lives when they fill out one of those surveys.

"They're doing it because their ego was stroked," said Ms. Hurst, former chairman of the Direct Marketing Association's ethics committee. "There's no way in God's green earth I would fill that out."

Ms. Hurst also blasted Conde Nast for not telling readers in more detail the value of their personal information, or how it will be used. "It is an absolute indicator of a total lack of ethics, a total lack of regard for their customers," she said. "The letter doesn't even begin to explain."

The company intends to use the responses in a program that connects readers and advertisers, including retailers, travel firms and cosmetic companies, as well as drug manufacturers that want to market directly to patients with particular ailments.

Swiss Parliament Vote Takes Toll on Gold Price

Business News

sales are still "a smudge on the picture," said Andy Smith, an analyst at Mitsui & Co. in London. "There are more waiting to happen — it's not a question of if, but when."

Gold for immediate delivery dropped 30 cents Thursday to \$293.30 an ounce in London.

In late afternoon trading in New York, the price fell to \$290.10 an ounce, down \$3.

The Swiss finance minister, Kaspar Villiger, said that the gold sales — if approved by the upper house and the electorate — are likely to begin after 2001 and will be gradual in order not to depress prices further.

This just shows that central bank gold

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The Associated Press

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(Continued)

Employment
Hong Kong
Record

Very briefly

Japan Steelmaker NKK Plans to Trim 3,300 Jobs

Unemployment In Hong Kong Hits a Record

Compiled by Our Staff From Dispatches

HONG KONG—Hong Kong's unemployment rate rose to a record 5.5 percent in the three months to November as the city sank deeper into its worst recession in over a generation.

The unemployment rate for the August-to-October period was revised to 5.2 percent from 5.3 percent, the government said Thursday.

"The third and fourth quarters this year have been particularly rough and we expect the labor-shedding to continue," said David Sharpe, an economist at Banque Paribas.

Gross domestic product shrank 7 percent in the third quarter and is expected to contract 5 percent for the full year.

"Given the latest trends, it is likely that unemployment will remain at a relatively high level," said K. Y. Tang, a government economist. "When we see a clear recovery in the economy, is not something which I can predict with any certainty at this point in time."

Economists expected a fresh wave of layoffs to hit the labor market after Chinese New Year in mid-February, and most forecast that unemployment would peak in the first or second quarter.



Men passing the time Thursday in a park in Hong Kong, where joblessness has risen to a record 5.5 percent.

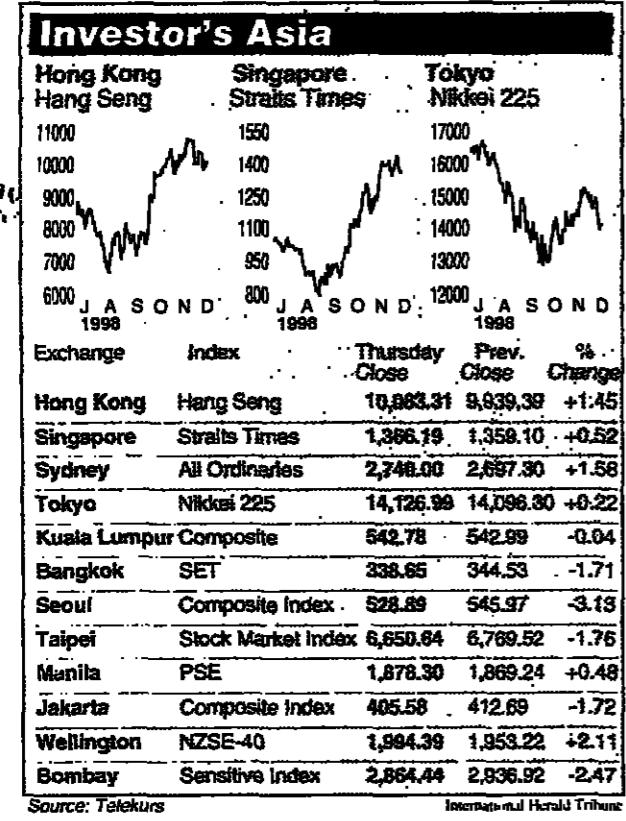
"There are a lot of downsizing plans in the pipeline which have not been implemented," said Chi Lo, an HSBC economist. "Because it is just not the Chinese way to fire people before the Chinese New Year, we expect intensive firing and downsizing after the new

viewing their annual budget," he said. The government plans to review its infrastructure spending programs in the next month in light of the new figures, said Joseph Wong, Hong Kong's secretary for education and manpower.

"There will be well over 100,000 new jobs created between the middle of this year and the end of next year," Mr. Wong said. "Spending in the public works program over the next five years will be almost twice the amount spent on the new airport." The airport,

which opened in July, cost \$20 billion. For Hong Kong's 6.7 million people, who are used to an economy that has grown by about 5 percent each year since 1991, the sudden rise in joblessness comes as a shock. Hong Kong people had become accustomed to having more jobs than people to fill them.

Even though the large declines in tourist arrivals and property prices, which fell by 55 percent in 13 months, have slowed, analysts expect the effect on employment to continue. (Bloomberg, Reuters)



Very briefly:

• China Airlines, Taiwan's largest carrier, tripled its 1998 pretax loss forecast to \$2.85 billion Taiwan dollars (\$88.4 million), blaming the Asian economic crisis and damage to its reputation following a crash earlier this year.

• BASF AG, Europe's biggest chemicals maker, and Royal Dutch/Shell Group plan to invest \$500 million in a Singapore joint venture to make styrene monomer and propylene oxide, two raw materials for plastic.

• The Japan Automobile Manufacturers Association said the nation's 11 automakers will sell 6.05 million cars, trucks and buses in 1999, compared with an estimated 5.9 million vehicles this year amid little sign that Japan's economy will pull out of its seven-year slump.

• SembCorp Industries Ltd., Southeast Asia's biggest civil engineering and building construction group, plans to reshuffle its logistics units. It plans to sell ST Logistics to Sembawang Marine & Logistics Ltd. for 126 million Singapore dollars (\$76.6 million) as part of its plans to focus on key engineering and technology businesses.

• Shell Chemicals Ltd. said it remained committed to its project for an 800,000-ton-per-year ethylene plant in Nanhui, China, because it fitted into the Royal/Dutch Shell Group's restructuring plans. (Reuters)

Japan Steelmaker NKK Plans to Trim 3,300 Jobs

By AP Wire From Staff Dispatches

TOKYO—The Japanese steelmaker NKK Corp. said Thursday it would cut 3,300 jobs, more than a fifth of its work force, as it struggles in the face of tough competition and a recession over.

The steel and pipemaker said it would reassign or offer early retirement to 3,300 of its 15,300 employees by March 2000. The company will move 850 of those employees to new companies created from the parent company's existing operations.

NKK, the second-largest Japanese steel company after Nippon Steel Corp., has projected a group net loss of 109 billion yen (\$933.6 million) for the year to March. The company also said it would restructure some of its operations.

The firm is under pressure to speed up its rehabilitation program after its Toa Steel Co. subsidiary went under this year after earnings collapsed as demand for steel slowed and costs mounted.

Japanese steelmakers are seeing their earnings sink on poor demand from automakers and other customers as a result of recessions at home and elsewhere in Asia.

NKK posted a net loss of 30 billion yen on 456.8 billion yen in revenue in the half-year ended Sept. 30. In the same period one year earlier, it had a profit of 11.2 billion yen.

The Tokyo-based steelmaker will reorganize its Keihin, Toyama and Shimizu factories into new companies, the company said.

NKK shares fell 3 yen to 76 yen. (AFP, Bloomberg)

Tokyo Cites Economic Progress

By AP Wire From Staff Dispatches

TOKYO—Massive government spending packages are having a positive impact on the economy, the Bank of Japan said Thursday, but the slump in the world's second-largest economy is far from over.

The decline in the nation's industrial production is slowing as companies reduce inventories of durable goods, and exports are rising, the central bank said in its monthly economic report for December. Public works spending from two government economic-stimulus packages worth a combined 40 trillion yen (\$342.59 billion) will provide a foundation for growth in the fiscal year that begins April 1, the bank said.

But corporate spending was falling "significantly," housing investment was still sluggish and consumer spending was bleak, the central bank warned. The report reflects a minor improvement in the bank's diagnosis for an economy that has shrunk for four quarters. (AFP, Bloomberg)

Chaebol Give Banks Right To Oversee Restructuring

Compiled by Our Staff From Dispatches

SEOUL.—Four of the five top family-run South Korean conglomerates signed corporate restructuring pledges with their creditors Thursday, putting their promises to paper for the first time.

The conglomerates, known as *chaebol*, signed Corporate Structure Improvement Plans with their main bankers, who are charged with making sure the groups stick to their pledges. If a conglomerate fails to keep to the terms, its credit will be cut off.

The Hyundai, Samsung, LG and SK groups announced their signings separately Thursday. Daewoo Group will

sign an accord with its bankers Saturday, after its chairman, Kim Woo Choong, returns from an overseas trip.

"Our program covers detailed plans to sell specific assets and businesses to raise certain amount of money by such and such a date," said Park Young Se, a Samsung director. He declined to elaborate, saying publicizing such details could hamper Samsung's negotiations with potential foreign investors.

Souls had threatened to pressure the banks to reduce lending to the *chaebol* to prevent them from focusing on debt-leveraged business expansions.

Commercial Bank of Korea Ltd., Hanil Bank, Korea Exchange Bank and

Korea First Bank, major creditor banks of the five groups, will have the authority to check the progress of the restructuring programs each quarter. The *chaebol* have pledged to reduce their combined business units to 136 from 261 by 2000 through sales, swaps and liquidations.

Hyundai Group promised its major creditor bank, Korea Exchange, that it would lower its debt-to-equity ratio to 199.7 percent by the end of next year, compared with 578.7 percent last year. Samsung will lower its to 184 percent. Daewoo to 196 percent, LG to 199.8 percent and SK to 199.7 percent.

Moody's Investors Service Inc. warned Thursday that the *chaebol*'s debts might prove too huge for banks to bear and that Seoul might have to share the burden. But the American agency did not alter its credit ratings for five South Korean banks, saying it viewed Seoul's yearlong economic reform drive "positively." (Bloomberg, Reuters, AFP)

■ 3 Troubled Banks to Merge

Three indebted South Korean banks, Cho Hung Bank, Kangwon Bank Ltd. and Hyundai International Merchant Bank, said Thursday that they would merge to form a new institution with an expected \$2 billion in government capitalization. Agence France-Presse reported.

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| 13 | BMW | US |
| 14= | Hewlett-Packard | US |
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A Quiet End to Bundesbank's Leading Role

By Kevin O'Brien
and Hellmut Truttmann
Bloomberg News

FRANKFURT — The Bundesbank left interest rates unchanged at its last opportunity to move them on Thursday, ending an era of monetary leadership that promoted price stability in Europe and made the Deutsche mark a benchmark currency.

By leaving its discount rate at 2.50 percent and the Lombard rate at 4.50 percent, both historic lows, the bank took its last independent act before ceding rate-setting authority Jan. 1 to the 11-nation European Central Bank.

"It's certainly the end of an era," said Eckhardt Schulte, economist at Industrial Bank of Japan Ltd. "It's still the central bank of Europe's largest economy, and with all its track record, it'll remain very influential."

Ending its 1,000th meeting, the Bundesbank brought to a close 50 years of managing interest rates in Europe's largest economy, which by the late 1970s had turned the mark into one of the most stable currencies in the world. From Jan. 1, the European Central Bank will set borrowing

costs for the 11 nations, including Germany, and the Bundesbank will play only an advisory role.

While only the Bundesbank president, Hans Tietmeyer, as a member of the ECB's 17-member board, will have a say in interest rates, the German central bank's council will continue to meet every two weeks, with the gatherings scheduled for the weeks in between the biweekly ECB meetings.

On Thursday, the Bundesbank left its target money market rate, the securities repurchase rate, at 3 percent, which is expected to be the starting interest rate for the euro currency. Ten of the 11 euro nations lowered their rates in tandem to 3 percent on Dec. 3 to reach a unified rate for a region with 300 million people. Italy also lowered its main rate to 3.5 percent and is expected to cut again as early as Friday.

The organization that would become the Bundesbank was set up after World War II by Allied governments in 1948. The bank began its record to prominence in 1975, when it based its monetary policy on limiting the size of the German money supply.

The introduction of the money supply policies planted "the seeds for the bank's later

success and eventual influence," said Gerhard Grebe, chief economist at Bank Julius Baer. "These policies boosted transparency and told everyone that if you wanted to know where German rates were going, all you had to do was watch the money supply."

By the mid-1980s, the German central bank's council had overtaken the Bank of England as the rate-setting body for most of Continental Europe. Central banks in France, Belgium, the Netherlands, Luxembourg and Austria would take their lead from Germany, announcing parallel rate decisions minutes after the Bundesbank.

The Bundesbank ran up against the limits of its power when the former chancellor, Helmut Kohl, merged the East and West German economies in 1990 in spite of the Bundesbank's warnings that an overvalued exchange rate would ruin eastern industry and leave a legacy of high unemployment and debt.

"That had to be the Bundesbank's biggest defeat ever," Mr. Grebe said. "The exchange rate, which was a purely political decision, led to the collapse of Eastern German industry and fostered the high unemployment that persists today."

Thomson To Combine 3 Subsidiaries

Bloomberg News

PARIS — Thomson-CSF, Europe's largest defense-electronics maker, said Thursday it would combine three defense units into a new company that will have annual sales of \$1.43 billion (\$1.43 billion).

Thomson-CSF Dextix, which is to be formed on Jan. 1, will unite Thomson-CSF Radars & Contre-Mesures, Thomson-CSF Missile Electronics and Dassault Electronique, which Thomson-CSF bought earlier this year.

The announcement comes three months after Thomson-CSF said it would reorganize its 40 divisions into eight larger "business units" in an attempt to increase profitability. The company has warned it could lose money in 1998 because of charges linked to a far-reaching restructuring after it acquired assets from three French defense and aerospace companies this year.

Dextix will make products such as radar systems and missile electronics. Jean-Robert Martin, a Thomson-CSF executive, will head the new entity, which will be wholly owned by Thomson-CSF and employ 7,200 people.

France now owns 40 percent of Thomson-CSF, which it controls through Thomson SA. The government itself has a so-called golden share to protect state interests. Alcatel SA and Dassault Industries own 21.6 percent of Thomson-CSF in return for having folded their military telecommunications and professional electronics businesses into the new entity.

■ **Airbus on Summit Agenda**

Airbus Industrie's plan to convert itself to a single company from a partnership will be on the agenda Friday at a meeting in Washington between President Bill Clinton and European Union leaders, an EU spokesman said Thursday, Bloomberg News reported from Toulouse.

A spokesman for the EU trade commissioner, Sir Leon Brittan, said the U.S. trade representative, Charlene Barshefsky, sent a letter to the European Commission asking for assurance that Airbus would not be excused any loan repayments when it becomes a single company.

Investor's Europe

| | Frankfurt | London | Paris |
|-------------|----------------|----------------|-----------------|
| | DAX | FTSE 100 Index | CAC 40 |
| 6000 | 6100 | 4400 | |
| 5500 | 5300 | 4100 | |
| 5000 | 5200 | 3800 | |
| 4500 | 4900 | 3200 | |
| 4000 | 4300 | 2200 | |
| 3500 | 3500 | 2000 | |
| JASOND 1998 | JASOND 1998 | JASOND 1998 | |
| Exchange | Index | Index | |
| Thursdays | Prev. Close | Close | Change |
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International Herald Tribune

Overpriced Stocks Threaten Growth, OECD Says

Compiled by Our Staff From Dispatches

PARIS — Stock markets in leading industrialized countries are overvalued, and a 20 percent drop in prices could trim 0.7 percentage point off the countries' output over two years, the Organization for Economic Cooperation and Development said Thursday.

The United States is particularly vulnerable because of the strong stock-market rally since mid-October, the group said in its twice-yearly Economic Outlook report.

The report was based on stock market levels in early November, but

a further rise in stock markets since then makes the warning all the more relevant, organization officials said.

"Various benchmarks suggest we are a little uncomfortable about equity prices in America, and a little less concerned about elsewhere," said Michael Frenier, acting head of the organization's economic policy studies department. "Our analysis is that in the United States, and perhaps Canada, levels are hard to justify and they run the risk of a correction."

The report said that stock markets suffer a "sustained" drop of 20 percent, economic growth would

falter because of the negative impact on consumption alone.

The organization based its prediction using a simulation model, and the results advanced a warning in a preliminary version of its Economic Outlook published in November.

The preliminary report said the economic and markets crisis that spilled from Asia in August had led it to nearly halve, to 2 percent, its forecast for world economic growth for this year and next.

The report said stock markets in the leading economies had recouped

most or all of the losses — of 20 percent to 35 percent — incurred when economic collapse in Russia sparked a wave of global market instability. But it said there was a risk of another correction, saying the high stock prices reached in July had probably been excessive in any case.

Nonetheless, the report said it was difficult to determine "appropriate" levels for equity prices.

"What is very important to the kind of assumptions we are making is that the calm in financial markets remains," Mr. Frenier said.

(APF, Reuters)

Bic Plans to Shave Costs in Reorganization

Bloomberg News

PARIS — Bic SA said Thursday it would take a 210 million French franc (\$37.6 million) charge in the second half as the world's No. 1 maker of pens and lighters reorganizes and cuts jobs to lower costs.

Bic, which also makes razors, surfboards and sailboards, said that excluding the charge, operating profit this year would be "similar to,

or slightly higher than that of

1997." Last year, the company posted operating profit of 1.4 billion francs and net income of 800 million francs. Bic shares fell 11 francs to 300 francs.

Bic, which aims to cut 280 jobs in Europe in three years, or about 3 percent of its total work force, also said it expected to increase operating profit by 100 million francs in 2000.

Claudie Casimir, an analyst at ABN-Amro, said that the announcement "was not expected and can be equated to a profit warning."

Bic also said it planned to invest 360 million francs as part of a three-year plan to bolster sales and expand production. The company plans to consolidate pen production at a new plant to be built in France and be operational in 2000.

EU to Take Italy to Court

Bloomberg News

BRUSSELS — The European Commission said Thursday it would refer Italy to the European Court of Justice on its practice of retaining decision-making powers, or "golden shares," over companies it formerly owned. Similar procedures have been initiated against Portugal, Spain, France and Belgium.

A spokesman for the EU trade commissioner, Sir Leon Brittan, said the U.S. trade representative, Charlene Barshefsky, sent a letter to the European Commission asking for assurance that Airbus would not be excused any loan repayments when it becomes a single company.

WORLD STOCK MARKETS

Thursday, Dec. 17

Daily Data in local currencies.

Tokyo

High: 1,670.00

Low: 1,650.00

Close: 1,660.00

Prev.: 1,654.00

Amsterdam

High: 1,113.50

Low: 1,107.00

Close: 1,112.00

Prev.: 1,109.00

Frankfurt

High: 4,422.43

Low: 4,416.00

Close: 4,420.00

Prev.: 4,416.00

Helsinki

High: 2,200.00

Low: 2,190.00

Close: 2,195.00

Prev.: 2,197.00

Kuala Lumpur

High: 502.73

Low: 502.73

Close: 502.73

Prev.: 502.73

Bangkok

High: 2,200.00

Low: 2,190.00

Close: 2,195.00

Prev.: 2,197.00

Hong Kong

High: 2,004.64

Low: 1,994.64

Close: 2,000.00

Prev.: 1,998.00

Tokyo

High: 1,600.00

Low: 1,590.00

Close: 1,595.00

Prev.: 1,597.00

Buenos Aires

High: 2,000.00

Low: 1,990.00

Close: 1,995.00

Prev.: 1,997.00

Istanbul

High: 2,000.00

Low: 1,990.00

Close: 1,995.00

Prev.: 1,997.00

Copenhagen

High: 2,000.00

Low: 1,990.00

Close: 1,995.00

Prev.: 1,997.00

Stock Market

POSTCARD

Staying Together

By Kathryn Shattuck
*New York Times Service***N**EW YORK — Ruby Dee and Ossie Davis were admiring an enormous poinsettia, its vibrant red leaves shooting out into all four corners of an otherwise coolly subdued living room.

The plant — "the largest, most beautiful, most expensive we could find," Dee said — was a gift from the couple to each other on Dec. 9, the day of their 50th wedding anniversary. It will be the only gift they exchange this year, a symbol for the only gift they need at this juncture of their lives: each other.

That's not to say the event has gone unheralded. In November the couple published a memoir, "With Ossie and Ruby: In This Life Together," an assessment of their experiences together and apart. Tuesday night they celebrated with a benefit at the Grand Hyatt Hotel in Manhattan to raise money for 12 regional theaters like the ones in which they got their start. "We're giving back," said Dee, who is 74.

And Wednesday night they joined the drummer Max Roach in "Theater Pieces," an evening of poetry, prose and music that is part of "Max Roach's America," a three-concert series at the 92d Street Y.

The son of a self-educated railroad construction engineer, Davis was raised in rural Georgia, eventually leaving the countryside to live with his grandmother in Waycross, a larger town, so that he could receive a better education. After graduating from Howard University in Washington, he traveled to New York, where he began his acting career.

With the Rose McClelland Players in the basement of the 124th Street Library in Harlem while taking drama classes at Columbia.

The daughter of a waiter on the Pennsylvania Railroad, Dee graduated from Hunter College and went to work with the American Negro Theater, in the basement of the 135th Street Library, now known as the Schomburg Center for Research in Black Culture.

Though they insist their paths surely must have crossed in the years they traversed the neighborhood, the couple met in 1945 when they were both cast in the Broadway production of "Jeb" at the Martin Beck Theater; he as the male lead, she as the understudy to the female lead, a role she eventually took on. They recall having felt as if they had always known each other. They married three years later.

By all accounts, the marriage has been a good one, producing three children, seven grandchildren, two successful careers and an unflinching activism for causes social and civil. Agreeing to disagree, they say, was often the key to surviving. They are frank in their discussion of marriage, even, on the topic of infidelity, which has crept into their safe haven.

The marriage, their memoirs, their oral history, all are a part of a broader picture that Dee and Davis believe will serve future generations.

"Just staying together is not a real virtue, if you're not happy," she said. "Or you're being denied. Or one person is being squashed. Or you really don't love each other: you're just there out of habit. That doesn't work, no matter how many years you stay together."

A 'Peony Pavilion' for the Post-Modern Set

By Alan Riding
*New York Times Service***P**ARIS — The Autumn Festival in Paris had the clever idea of offering two contrasting productions of "The Peony Pavilion" to celebrate the 400th anniversary of Tang Xianzu's classic Chinese opera.

But the Shanghai Kunqu Opera Company's complete 20-hour version, originally scheduled to open this summer's Lincoln Center Festival in New York, was again banned from leaving China as too "feudal" and "pornographic." So Peter Sellars's three-hour avant-garde version has had the stage to itself here.

It has left those unfamiliar with kunqu opera (let's face it, most Westerners) with the task of evaluating the experimental without the standard of the traditional.

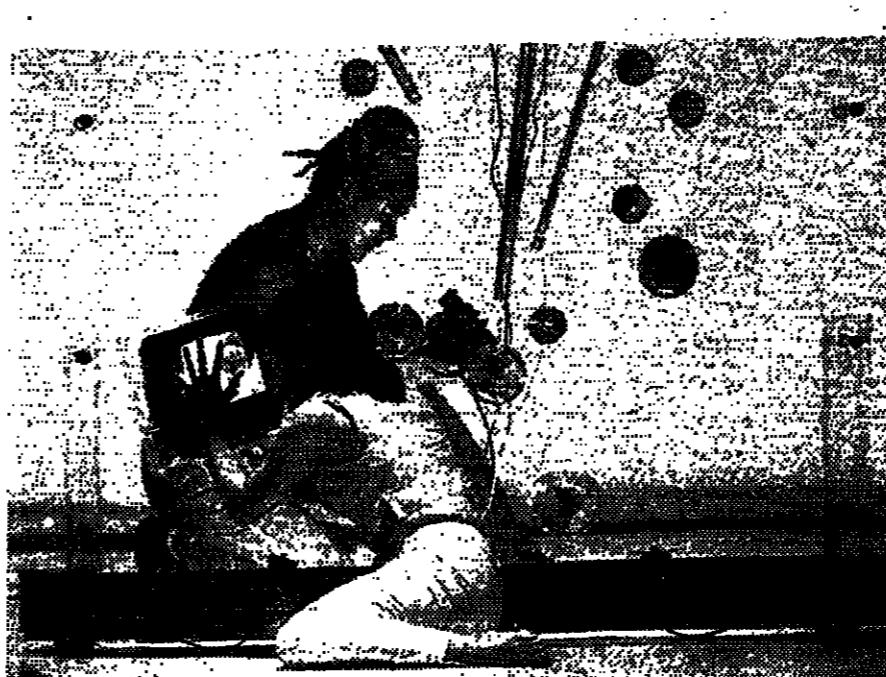
As it is, audiences at the Bobigny cultural center near Paris are inevitably left guessing how much of Sellars's "Peony Pavilion" is original kunqu and how much has been added to reach out to Westerners. For all that, it still looks and sounds pretty Chinese, though not exactly 400 years old.

Indeed, in a sense, Sellars has brought Tang Xianzu's 55-act masterpiece closer to the China of today. Chinese opera never recovered from the censorship and dismantling of theater companies that accompanied Mao Zedong's Cultural Revolution, and its survival is now threatened by the growing popularity of Western music, movies and television.

So it is conceivable that Sellars's Westernized homage to traditional Chinese culture would appeal more to many young Chinese than the original. This theory may even be tested if, as the 41-year-old American director hopes, the production travels to China in 2000.

The essence of the story, a sort of "Romeo and Juliet" in reverse, remains intact in this version.

Du Linling, a 16-year-old girl from a powerful family, dreams of a young scholar who makes love to her. When she awakens, she is so saddened not to find him that she starves herself to death, leaving a self-portrait on her tomb. Three years later, the scholar, Liu Mengmei, falls for the painted image just as Du's ghost appears. They become lovers and, although Du reveals that she is dead, Liu succeeds in bringing her back to life.



Lauren Tom, foreground, and Joel de la Fuente in "The Peony Pavilion."

Sellars's point of departure could not have been more authentic.

In 1990, while directing the Los Angeles Festival, he met Hua Wenyi, a veteran Chinese actress trained in the tradition of kunqu (pronounced kun-SHOO) and practiced in playing the role of Du, who had just moved to California. "Here was this living national treasure whose art form no one in the West knew how to read," he said. "So the big question for me was, how could we in the West begin to realize what she does?"

As it happens, Hua, a former artistic director of the Shanghai Kunqu Opera Company who is now in her 50s, was also interested in trying something new. "She became the driving force," the director recalled. "She didn't want to go back to tradition. She wanted tradition to take its next steps into the future."

The project took almost a decade to come to fruition as Sellars organized seminars and workshops to help him come to grips with the kunqu tradition. For the text, he chose a translation by Cyril Birch, 73, an English-born Chinese scholar who moved to the University of California at Berkeley in 1960.

For the music, he turned to Tan Dun, 41, an avant-garde composer who was born in China and now lives in New York. Asked to provide incidental music, Tan delivered a two-hour opera, the first half comprising kunqu melodies, the second half a rousing blend of kunqu, Tibetan and Western chants, instruments and rhythms.

"With the addition of a different generation of Chinese artist, we began to get a rather rich picture," Sellars said. "What's quite interesting is that Hua Wenyi and Tan Dun would never have met in China because Hua Wenyi was at the highest level of official culture and Tan Dun was a young artist whose work was officially discouraged."

George Tsypin, who has designed many of Sellars's operatic productions, most recently Messiaen's "St. Francois d'Assise," placed this version well in the 20th century by creating a large, transparent rectangular box that serves as both bed and watery grave for Du as well as transparent screens with television monitors trapped inside them. These and other monitors carry images captured by camcorders held by Du and Liu.

But perhaps the greatest innovation in the production, which has already been

seen in Vienna, London and Rome and will travel to Berkeley in March, is that Du and Liu are each represented simultaneously by two, then by three performers. In China, where the kunqu tradition embraces acting, dancing and singing, this would not be necessary. Yet here, *force majeure* — Hua could not play a 16-year-old girl, nor does she speak English — created a fascinating counterpoint of cultures and generations.

Two young Asian-Americans — Lauren Tom, of Chinese descent, and Joel de la Fuente, of Filipino extraction — play the English-speaking roles of Du and Liu. (At times the mixture of colloquial and poetic language jars.) Hua dances and sings the role of Du in the kunqu fashion, but in Paris she has been joined by Michael Schumacher, an American who dances the role of Liu in the experimental disjointed style of William Forsythe's Frankfurt Ballet. Their silent dance of love is perhaps the emotional high point of the first act.

"It was marvelous," Sellars said excitedly of this addition to the evolving production, which runs in Paris through Dec. 22. "Hua Wenyi really wanted to meet a kind of cutting-edge dance world where her sense of refinement of movement could meet a language that is equally articulated and refined."

In the second act, the two couples are joined by a fresh Du and Liu, in this case a soprano (Nancy Allen Lundy and Ying Huang alternate as Du) and a tenor (Michael Hart-Davis and Lin Qiang Xu alternate as Liu) whose passionate arias mirror the narrative as the two lovers finally meet. If these operatic voices sound more Western, though, kunqu is still present in the singing of the priestess Sister Stone, played by Shu Jiehua.

Sellars sees topicality in the play's treatment of teenage suicide and its endorsement of idealistic dreams, yet on-stage what speaks loudest, in the director's words, is the "genuine cultural discussion."

"You have Lauren Tom, who was born in Chicago and does not speak a word of Chinese, trying to make contact with Hua Wenyi, the most famous living Chinese actress, who now lives in Los Angeles and doesn't speak English," he said. "For Lauren Tom, it means recovering part of her heritage that she never knew, and for Hua Wenyi, it means moving forward into her new life as an American."

PEOPLE

THE New York Film Critics Circle on Thursday chose Steven Spielberg's World War II movie, "Saving Private Ryan," as best film of 1998. "The Thin Red Line," the year's other World War II film, was another winner, for both John Toll's cinematography and for direction by Terrence Malick. Nick Nolte won the circle's best actor award for his performance in "Affection," and Cameron Diaz was voted best actress for "There's Something About Mary." As best foreign film, group members chose the Danish film "The Celebration," "Shakespeare in Love" and "The Truman Show" each got six Golden Globe nominations from the Hollywood Foreign Press Association, and "Saving Private Ryan" got five. "Bulworth," "Elizabeth," "Gods and Monsters" and "Little Voice" got three nominations each.

A French appeals court ruled Thursday that Yves Montand was not the father of Aurore Drossart, who claims to be his daughter. The court relied on a

DNA test that was carried out on the singer's corpse. The singer and actor had always denied that Drossart, 24, was his daughter and refused to undergo DNA tests.

The British businessman Richard Branson, the Swede Per Lindstrand and the American Steve Fossett are in

Marrakesh, Morocco, to set off on a new attempt to circle the globe by balloon. The three men hope to leave Friday and circle the globe in less than 18 days before landing in Britain.

A screenwriter says in a lawsuit against Walt Disney Co. that he was promised a cut of merchandising from

the three "Mighty Ducks" movies and hasn't received a cent. Steven Brill, who wrote the movies starring Emilio Estevez as the reluctant coach for an underdog youth hockey team, said his contract entitled him to 5 percent of gross merchandising revenues. The lawsuit filed in Los Angeles seeks \$25 million for revenue earned since 1993, plus any future merchandising earnings. Brill's lawyer said.

What are the top holiday season songs in the United States? According to Marilyn Bergman, president and chairman of the American Society of Composers, Authors and Publishers, the most performed song is "White Christmas," by Irving Berlin. Next, in order, are "Santa Claus Is Comin' to Town," by J. Fred Coots and Haven Gillespie; "The Christmas Song (Chestnuts Roasting on an Open Fire)," by Mel Torme and Robert Wells; "Winter Wonderland," by Felix Bernard and Richard Smith, and "Rudolph the Red-Nosed Reindeer," by Johnny Marks.



Lindstrand, left, Branson and Fossett in front of their balloon.

A 1626 Poussin Will Head to Jerusalem

*New York Times Service***N**EW YORK — Lost for 320 years and rediscovered in Britain in 1995, Nicolas Poussin's 1626 masterpiece, "The Destruction and Sack of the Temple of Jerusalem," is headed for a new home: the Israel Museum in Jerusalem.

The museum announced the acquisition Wednesday, saying it was made possible by a grant from Yad Hanadiv, the Rothschild Foundation in Israel. The painting will be at the Palazzo delle Esposizioni in Rome through March before going to the National Gallery in London.

Commissioned in 1625 by Cardinal Francesco Barberini, the painting eventually vanished, before emerging in 1995 from the estate of Ernest Onians, a British collector.

It will be installed in the Israel Museum in May.



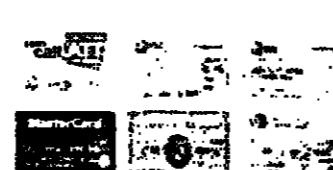
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